

EXPLORING THE EFFECTS OF FINANCIAL MANAGEMENT TRAINING ON TASK  
PERFORMANCE OF SELECTED SCHOOL GOVERNING BODIES IN THE EASTERN  
CAPE PROVINCE

by

DUMAZA NQATA

submitted in accordance with the requirements  
for the degree of

Masters of Commerce

in the subject

Business Management

at the

UNIVERSITY OF SOUTH AFRICA

SUPERVISOR: PROFESSOR MC MULAUDZI

2018

## DECLARATION

**Student number: 6859798**

I Dumaza Nqata declare that the dissertation entitled: **Exploring the Effects of Financial Management Training on Task Performance of Selected School Governing Bodies in the Eastern Cape Province** is my own work and all the sources that I have used have been indicated and acknowledged by means of complete references.

---

Dumaza Nqata

---

Date

## **ACKNOWLEDGEMENTS**

Firstly, I wish to thank my creator, the Almighty God, for his grace by fulfilling my wishes. I am sincerely grateful for having such a wonderful God who made my dreams come true. He has been my pillar of strength right through this journey of success.

I am so humbled and thankful to my supervisor Professor MC Mulaudzi for his indelible support, patience, motivation and valuable contribution in my research study. You were really a source of inspiration.

Thank you, Mr Gabriel Musasa, for being my mentor and gave me support to move forward when I felt down at times.

Thank you, Mr Andile Nxele and my daughter, Ondela Faku, for assisting in language editing.

To my husband, Ongama, and two sons Andisiwe and Inga, for understanding and being supportive throughout my studies.

My twin sister, Dumazile Majavu, who is my inspiration, has always been giving me support throughout my journey.

My nieces, Axolile Nqandela, Lihle, Lakhe and Likona Majavu, gave me a lot of support. To all my friends, especially Nosiphiwo Dekeda, thank you very much for being a role model of my life.

I finally wish to thank all the officials in the district office in the Department of Education, in Dutywa District for granting me permission to conduct research in the schools. All the participating schools and the participants, thank you very much for your time and contributions which made this research a success.

## **DEDICATION**

This work is dedicated to all people who made a contribution in my life namely my grandparents, my parents and all my teachers who contributed in my life.

## TABLE OF CONTENTS

DECLARATION.....	ii
ACKNOWLEDGEMENTS.....	iii
DEDICATION.....	iv
TABLE OF CONTENTS .....	v
LIST OF TABLES.....	xiii
ABSTRACT .....	xiv
ABBREVIATIONS .....	xv
CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY .....	1
1.1 ORIENTATION OF THE STUDY .....	1
1.1.1 Role of training in organisations .....	3
1.1.2 Importance of training evaluation.....	5
1.1.3 Learning theories and their influence on training .....	5
1.2 STATEMENT OF THE PROBLEM .....	7
1.3 RESEARCH QUESTIONS.....	8
1.4 RESEARCH OBJECTIVES .....	9
1.5 SIGNIFICANCE OF THE STUDY .....	10
1.6 CONTEXT OF THE STUDY.....	10
1.7 CHAPTER LAYOUT .....	11
1.8 CHAPTER SUMMARY .....	12
CHAPTER 2: UNDERSTANDING THE SCHOOL GOVERNANCE, MANAGEMENT ENVIRONMENT AND FINANCIAL MANAGEMENT IN SOUTH AFRICAN SCHOOLS .....	14
2.1 INTRODUCTION .....	14
2.2 CONCEPTUALISING SCHOOL GOVERNANCE .....	14
2.2.1 The concept of governance.....	16
2.2.2 School Governance .....	16

<b>2.3</b>	<b>CONCEPTUALISING SCHOOL MANAGEMENT</b>	<b>17</b>
<b>2.3.1</b>	<b>Definition of management</b>	<b>17</b>
<b>2.3.2</b>	<b>School management</b>	<b>19</b>
<b>2.3.3</b>	<b>International perspectives on school management</b>	<b>19</b>
<b>2.3.4</b>	<b>Managing the South African school environment</b>	<b>21</b>
<b>2.4</b>	<b>THE SOUTH AFRICAN EDUCATION SYSTEM PRIOR TO 1994</b>	<b>23</b>
<b>2.4.1</b>	<b>Statutory bodies</b>	<b>25</b>
2.4.1.1	<i>School boards</i>	25
2.4.1.2	<i>Local management council</i>	27
<b>2.4.2</b>	<b>Non-statutory bodies</b>	<b>27</b>
<b>2.5</b>	<b>THE SOUTH AFRICAN SCHOOL ENVIRONMENT POST 1994</b>	<b>29</b>
<b>2.5.1</b>	<b>Stakeholders for effective school management</b>	<b>30</b>
<b>2.5.2</b>	<b>Roles and responsibilities of SGBs regarding the management of school finances</b>	<b>32</b>
<b>2.5.3</b>	<b>Involvement of school governors in school management</b>	<b>34</b>
<b>2.5.4</b>	<b>The influence of the governing body in the management of the school</b>	<b>35</b>
<b>2.6</b>	<b>CAPACITY BUILDING FOR EFFECTIVE MANAGEMENT AND GOVERNANCE BY SGBS</b>	<b>36</b>
<b>2.7</b>	<b>CONCEPTUALISING FINANCIAL MANAGEMENT</b>	<b>37</b>
<b>2.7.1</b>	<b>Financial Management in a School Context</b>	<b>37</b>
<b>2.7.2</b>	<b>The Legal Framework on Financial Management in South African Public Schools</b>	<b>39</b>
2.7.2.1	<i>The White Paper on education and training</i>	40
2.7.2.2	<i>The South African Schools Act 84 of 1996</i>	42
2.7.2.3	<i>The Constitution of the Republic of South Africa, Act 108 of 1996</i>	43
2.7.2.4	<i>National Norms and Standards for School Funding of 1998 (Government Gazette 2362 (As amended in 2000))</i>	44

2.7.2.5	<i>Public Finance Management Act 1 of 1999</i> .....	44
2.8	<b>GLOBAL TRENDS ON FINANCIAL MANAGEMENT IN SCHOOLS</b> .....	46
2.9	<b>FINANCIAL MANAGEMENT CHALLENGES IN SOUTH AFRICAN SCHOOLS</b> .....	47
2.9.1	Lack of understanding and interpretation of SASA.....	47
2.9.2	Lack of understanding of roles and responsibilities.....	48
2.9.3	Lack of understanding of legal framework .....	49
2.9.4	Lack of transparency and accountability .....	49
2.9.5	Financial management training in the school context .....	50
2.10	<b>CHAPTER SUMMARY</b> .....	53
	<b>CHAPTER 3: RESEARCH METHODOLOGY</b> .....	54
3.1	<b>INTRODUCTION</b> .....	54
3.2	<b>RESEARCH PARADIGM</b> .....	54
3.2.1	Positivism.....	55
3.2.2	Interpretivism .....	56
3.2.3	Critical Realism.....	57
3.3	<b>RESEARCH APPROACH</b> .....	57
3.3.1	Mixed-research methods.....	58
3.3.2	Participatory action research.....	59
3.3.3	Quantitative approach .....	60
3.3.4	Qualitative approach.....	60
3.4	<b>RESEARCH DESIGN</b> .....	63
3.5	<b>POPULATION</b> .....	65
3.6	<b>SAMPLING</b> .....	65
3.6.1	Type of sampling technique.....	66
3.6.2	Selection of participants .....	68
3.7	<b>RESEARCH PROCEDURES</b> .....	68

<b>3.8</b>	<b>DATA COLLECTION METHODS .....</b>	<b>69</b>
<b>3.8.1</b>	<b>Interviews .....</b>	<b>69</b>
3.8.1.1	<i>Guidelines in developing interview guide.....</i>	<i>71</i>
3.8.1.2	<i>Recording interviews.....</i>	<i>72</i>
3.8.1.3	<i>Audio- recording.....</i>	<i>73</i>
3.8.1.4	<i>Transcribing.....</i>	<i>73</i>
<b>3.8.2</b>	<b>Focus groups .....</b>	<b>73</b>
<b>3.8.3</b>	<b>Secondary documents.....</b>	<b>74</b>
<b>3.9</b>	<b>DATA ANALYSIS .....</b>	<b>75</b>
<b>3.9.1</b>	<b>Thematic analysis .....</b>	<b>76</b>
<b>3.9.2</b>	<b>Document analysis .....</b>	<b>78</b>
<b>3.9.3</b>	<b>Trustworthiness .....</b>	<b>79</b>
3.9.3.1	<i>Credibility.....</i>	<i>80</i>
3.9.3.2	<i>Transferability.....</i>	<i>80</i>
3.9.3.3	<i>Confirmability.....</i>	<i>80</i>
3.9.3.4	<i>Dependability.....</i>	<i>81</i>
<b>3.10</b>	<b>ETHICAL CONSIDERATIONS .....</b>	<b>81</b>
<b>3.10.1</b>	<b>Informed consent.....</b>	<b>81</b>
<b>3.10.2</b>	<b>Anonymity and confidentiality .....</b>	<b>82</b>
<b>3.10.3</b>	<b>Plagiarism.....</b>	<b>83</b>
<b>3.10.4</b>	<b>Honesty.....</b>	<b>83</b>
<b>3.11</b>	<b>PROBLEMS ENCOUNTERED .....</b>	<b>83</b>
<b>CHAPTER 4: PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS .....</b>		<b>85</b>
<b>4.1</b>	<b>INTRODUCTION .....</b>	<b>85</b>
<b>4.2</b>	<b>DATA FROM INTERVIEWS .....</b>	<b>86</b>
<b>4.2.1</b>	<b>Roles and functions of SGBs in financial management at school .....</b>	<b>86</b>



4.2.1.1	<i>Responses from school principals</i> .....	86
4.2.1.2	<i>Responses from finance officers</i> .....	87
4.2.1.3	<i>Responses from treasurers</i> .....	89
4.2.1.4	<i>Responses from focus groups</i> .....	90
<b>4.2.2</b>	<b>Understanding the legal framework regulating school finances</b> .....	<b>91</b>
4.2.2.1	<i>Responses from the principals</i> .....	91
4.2.2.2	<i>Responses from finance officers</i> .....	92
4.2.2.3	<i>Responses from the treasurers</i> .....	93
4.2.2.4	<i>Responses from focus groups</i> .....	95
<b>4.2.3</b>	<b>Understanding the management of financial records</b> .....	<b>95</b>
4.2.3.1	<i>Responses from principals</i> .....	95
4.2.3.2	<i>Responses from finance officers</i> .....	96
4.2.3.3	<i>Responses from treasurers</i> .....	98
<b>4.2.4</b>	<b>Procedures and guidelines regulating school finances</b> .....	<b>98</b>
4.2.4.1	<i>Responses from the principals</i> .....	99
4.2.4.2	<i>Responses from finance officers</i> .....	100
4.2.4.3	<i>Responses from treasurers</i> .....	101
<b>4.2.5</b>	<b>Financial management challenges</b> .....	<b>102</b>
4.2.5.1	<i>Responses from principals</i> .....	103
4.2.5.2	<i>Responses from finance officers</i> .....	104
4.2.5.3	<i>Responses from treasurers</i> .....	105
4.2.5.4	<i>Responses from focus groups</i> .....	107
<b>4.2.6</b>	<b>The effectiveness of financial management training on SGBs</b> .....	<b>107</b>
4.2.6.1	<i>Responses from the principals</i> .....	108
4.2.6.2	<i>Responses from finance officers</i> .....	109
4.2.6.3	<i>Responses from treasurers</i> .....	110

<b>4.2.7</b>	<b>Improving training for effective and efficient financial management.....</b>	<b>112</b>
4.2.7.1	<i>Responses from principals .....</i>	112
4.2.7.2	<i>Responses from finance officers .....</i>	113
4.2.7.3	<i>Responses from treasurers .....</i>	114
4.2.7.4	<i>Responses from focus group .....</i>	116
<b>4.3</b>	<b>DATA FROM DOCUMENT ANALYSIS .....</b>	<b>116</b>
<b>4.3.1</b>	<b>Meetings of the SGB .....</b>	<b>117</b>
4.3.1.1	<i>Notification .....</i>	117
4.3.1.2	<i>Proceedings.....</i>	117
4.3.1.3	<i>Quorum.....</i>	117
4.3.1.4	<i>Proxy votes.....</i>	119
4.3.1.5	<i>Voting .....</i>	119
4.3.1.6	<i>Minutes .....</i>	119
4.3.1.7	<i>Declaration of conflict of interest .....</i>	120
<b>4.3.2</b>	<b>Attendance register for meetings .....</b>	<b>122</b>
<b>4.3.3</b>	<b>Budget .....</b>	<b>123</b>
<b>4.3.4</b>	<b>Record keeping and financial reporting .....</b>	<b>125</b>
<b>4.3.5</b>	<b>Audited financial statements .....</b>	<b>126</b>
<b>4.3.6</b>	<b>Finance policy.....</b>	<b>128</b>
<b>4.3.7</b>	<b>Legislation documents .....</b>	<b>129</b>
<b>4.4</b>	<b>DATA RETRIEVED FROM THE INTERVIEWS .....</b>	<b>132</b>
<b>4.5</b>	<b>INTEGRATION OF RESULTS.....</b>	<b>132</b>
<b>4.6</b>	<b>SUMMARY OF KEY FINDINGS IN RELATION TO THE CENTRAL QUESTION.....</b>	<b>134</b>
<b>4.6.1</b>	<b>Findings in relation to sub-questions.....</b>	<b>136</b>
4.6.1.1	<i>To what extent do SGBs understand their roles or functions with regards to financial management after the training? .....</i>	136

4.6.1.2	<i>How do SGBs understand the legal framework regulating school finances after the training?</i> .....	137
4.6.1.3	<i>What challenges do SGBs experience with regard to financial management after the training?</i> .....	137
4.6.1.4	<i>To what extent do SGBs follow the correct procedures and guidelines in the utilisation of school finances after the training?</i> .....	138
4.6.1.5	<i>How did training in financial management improve effectiveness of SGBs?</i> .....	138
<b>CHAPTER 5: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS .....</b>		<b>139</b>
5.1	<b>INTRODUCTION .....</b>	<b>139</b>
5.2	<b>ANSWERS TO RESEARCH QUESTIONS .....</b>	<b>139</b>
5.2.1	<b>To what extent do SGBs understand their roles or functions with regards to financial management after the training? .....</b>	<b>140</b>
5.2.2	<b>How do SGBs understand the legal framework regulating school finances after training? .....</b>	<b>141</b>
5.2.3	<b>What challenges do SGBs experience with regard to financial management after training? .....</b>	<b>142</b>
5.2.4	<b>To what extent do SGBs follow the correct procedures and guidelines in the utilisation of school finances after the training? .....</b>	<b>142</b>
5.2.5	<b>How did training in financial management improve the effectiveness of SGBs?143</b>	
5.3	<b>CONCLUSIONS OF THE STUDY.....</b>	<b>144</b>
5.4	<b>LIMITATIONS OF THE STUDY .....</b>	<b>145</b>
5.5	<b>RECOMMENDATIONS OF THE STUDY .....</b>	<b>145</b>
5.6	<b>SUGGESTIONS FOR FUTURE RESEARCH .....</b>	<b>149</b>
5.7	<b>CONCLUSION.....</b>	<b>149</b>
<b>REFERENCES .....</b>		<b>150</b>
<b>APPENDICES.....</b>		<b>173</b>
<b>APPENDIX A: UNIVERSITY ETHICAL CLEARANCE .....</b>		<b>173</b>

<b>APPENDIX B: REQUEST LETTER FOR DATA COLLECTION TO PROVINCIAL GOVERNMENT .....</b>	<b>175</b>
<b>APPENDIX C: PERMISSION TO COLLECT DATA FROM PROVINCIAL GOVERNMENT ..</b>	<b>176</b>
<b>PERMISSION TO COLLECT DATA FROM PROVINCIAL GOVERNMENT .....</b>	<b>176</b>
<b>APPENDIX D: REQUEST LETTER FOR DATA COLLECTION FROM DEPARTMENT OF EDUCATION .....</b>	<b>177</b>
<b>APPENDIX E: PERMISSION LETTER FOR DATA COLLECTION FROM DEPARTMENT OF EDUCATION .....</b>	<b>178</b>
<b>APPENDIX F: CONSENT FORM FOR PARTICIPANTS .....</b>	<b>179</b>
<b>APPENDIX G: ENGLISH INTERVIEW GUIDE .....</b>	<b>180</b>
<b>APPENDIX H: XHOSA TRANSLATED INTERVIEW GUIDE.....</b>	<b>184</b>

## LIST OF TABLES

Table 1: Summary of themes derived from the interviews.....	132
---	-----

## **ABSTRACT**

The primary objective of this study was to explore the effect of financial management training on task performance of selected School Governing Bodies (SGBs) in the JS Skenjana Circuit, Dutywa District in the Eastern Cape Province. The study looked at the extent to which financial management training assisted the SGBs in performing their roles and responsibilities effectively. A qualitative research was employed to gain a deeper understanding of the experiences of the members of the SGBs regarding the effects of financial management training on their task performance. Data were collected through in-depth interviews, focus group discussions and secondary documents. Respondents were members of the finance committee of the SGBs. The findings of the study show that training offered by the Department of Education (DoE) was inadequate and did not equip the SGBs adequately to manage school funds efficiently and effectively. Members of the SGB did not clearly understand their roles and responsibilities, including the legal framework regulating the management of school finances. This study recommends that the content of training offered to the SGBs should be reviewed to ensure its alignment with the context, roles and responsibilities of this important body. The DoE should use qualified trainers/facilitators and should also provide constant monitoring and support to SGBs. Further, the DoE should provide schools with mentors to support them on the management of finances. The DoE should develop a procurement management system that is evaluated at the level of a circuit and further ensure that all schools have functional procurement committees. Twinning of schools should also be considered to promote partnership and collaboration among schools. This should be done to increase financial prudence and overall school performance. The DoE should develop a financial assessment plan and remedial programmes, to assist schools that are not performing well in the management of finances.

**KEY WORDS:** Management, training, financial management, financial management training, school, school management, school governance, school governing bodies, performance.

## **ABBREVIATIONS**

ATASA	African Teachers Association
DBE	Department of Basic Education
DNE	Department of National Education
DoE	Department of Education
EC	Eastern Cape Province
HoD	Head of Department
NNSSF	National Norms and Standards for School Funding
PED	Provincial Education Department
PFMA	Public Finance Management Act
PTSA	Parent –Teacher- Student – Association
PTA	Parent – Teacher – Association
RSA	Republic of South Africa
SETAS	Services Education and Training Authorities
SASA	South African Schools Act
SGB	School Governing Body
USA	United States of America
TBVC	Transkei, Bophuthatswana, Venda, Ciskei

## **CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY**

### **1.1 ORIENTATION OF THE STUDY**

The focus of the study was to explore the effects of financial management training on task performance of selected SGBs in the JS Skenjana Circuit, Dutywa District in the Eastern Cape Province. The dawn of democracy in South Africa gave rise to the democratisation and reorganisation of the education system, which gave birth to the Reconstruction and Development Programme (RDP) in 1994 and the South African Schools Act (SASA) 84 of 1996. All these were meant to redress educational inequalities of the past. Schools were restructured and new systems of school governance and management were put in place. SASA introduced SGBs to redress the imbalances of the past (i.e. education provision and school governance).

In White Paper 2 (DoE, 1996), the DoE promotes the transformation of school organisation, governance and funding. The promotion of these three aspects should be in accordance with the democratic values, practices and requirements of the Constitution. Many scholars claim that financial management is the key aspect that promotes smooth running of an institution (Bapela, 2012; Maluleka, 2008; Ngubane, 2009 & Rangongo, 2011). Rangongo (2011:1) further highlights finance as a very important resource that schools have to manage responsibly to provide quality education.

In supporting the importance of financial management, Nong (2007:79) proposed that finances are the backbone of any organisation and need to be taken seriously. This implies that financial management is a valuable skill that has a direct impact on teaching and learning. The SGBs should be well trained through effective training interventions. Thwala (2010:18) concurs that funds devolved to schools should be utilised by SGB and the principal to ensure quality improvement of education offered to learners. Thwala (2010:15) further argues that decentralisation strategy requires SGB members and principals to be sufficiently capacitated, to effectively manage additional funds to schools. According to SASA (RSA, 1996), SGBs are given decision-making powers and



the state has a responsibility to fund public schools from public revenue. Section 36 of SASA spells out that a governing body of a public school must take all reasonable measures to supplement resources supplied by the state. This should be done to improve the quality of education provided by the school to all learners (RSA, 1996). This puts enormous responsibility on school governing bodies to manage and account for the funds as outlined in Section 37 of SASA (RSA, 1996). The responsibility bestowed on SGBs to manage and account for school funds is a legal authority that must be adhered to as set out in the Public Finance Management Act 1 [PFMA] of 1999 (RSA, 1999).

The principal as an accounting officer, should work together with the SGB in managing the school funds. Although SGBs work together with principals in managing the school funds, they do experience some problems. According to (Maile, 2002), one of the main problems experienced by SGBs is the high level of illiteracy among members, which makes it difficult to understand certain terminology due to lack of skills and knowledge on financial management. Mestry (2004:126) highlights an important challenge facing SGBs, namely, lack of the necessary knowledge and skills for financial management and consequently, the inability to work out practical solutions to practical problems.

Makrwede (2012) and Naidoo (2010) highlighted irregularities regarding the expenditure and lack of appropriate evidence to support such expenditure. The SASA requires the DoE to train the SGBs on the management of school finances. Hence, the research revealed challenges faced by SGBs in executing their roles and responsibilities as prescribed in SASA (Chaka, 2005; Heystek, 2004; Makrwede, 2012; Mestry, 2004; Xaba, 2011). Mestry (2006:133) points out lack of collaboration between principal and other SGB members, where principals are unwilling to share responsibility for school governance, whilst having a fear of losing power. Mabasa and Themane (2002:112) reported that SGBs are not trained before they start their work, hence this leads to the following problems:

- Unfamiliarity to meeting procedures.

- Problems regarding technical language used in meetings.
- Difficulties in managing large volumes of paper.
- Lack of knowledge on how to make a contribution.
- Lack of knowledge on appropriate legislation.
- Feeling intimidated by the presence of other members who seem knowledgeable and perceiving their roles as simply endorsing what others have already decided upon.

These research findings motivated the current study which seeks to explore the effects of financial management training on task performance of selected SGBs in the JS Skenjana Circuit, Dutywa District in the Eastern Cape Province.

### **1.1.1 Role of training in organisations**

Erasmus, Leodolff, Mda and Nel (2013:20) view training as the way organisation uses a systematic process to modify knowledge, skills and behaviour of employees, to enable it to achieve its objectives. Blanchard (2013:22) points out that training provides employees with the knowledge and skills to perform more effectively. Effective training brings behavioural change to trainees, which means that if members of SGBs are trained adequately, their performance could improve. Dessler (2014:183) concurs that training is a means of affording new or current employees the skills they need to perform their jobs. Regarding the study, training of members of SGBs should be designed to bring a remarkable improvement. The training should indicate the way they perform their roles and discharge their responsibilities on the management of school finances. This is mainly because the goal of the DoE is to achieve quality teaching and learning through optimal use of available resources, including financial resources. This goal could be achieved by empowering the SGBs with necessary skills and knowledge that will assist them in executing their tasks.

Banfield and Kay (2012:255) propose that training offers the following benefits to the organisations:

- Firstly, effective training provides the opportunity for employees to connect with its policies and methods of working. Since SGBs are policymakers, therefore training is vital to empower them with necessary knowledge and skills. These knowledge and skills will assist in the formulation and implementation of policies.
- Secondly, training helps to educate or increase knowledge and awareness of individuals and teams.
- Thirdly, proper training of SGBs will improve accountability and ensure that faster and better quality decisions can be made. After training, SGBs should be in a better position to work confidently and be accountable for decisions taken.
- Fourthly, participation in training can help to energise, motivate and inspire employees. Training will provide SGBs with opportunity to make reflections and to consider the best techniques that will contribute towards the effectiveness of the organisation.
- Lastly, training can also be an effective means of helping individuals to see things in a different way. Training will help SGBs to be innovative and help to unlock previously untapped potential. Trainers should ensure that SGBs are well capacitated and empowered with required knowledge and skills to also change attitudes towards management of finances in the schools. Through training, SGBs could see and do things differently. Effective training could bring positive outcomes on financial management in schools.

Erasmus et al. (2013:21) view training as of great importance to both the organisation and the trainees, in the sense that individuals benefit from the training as they are empowered to make better decisions and solve problems more effectively. Effective training should empower SGBs to participate in decision-making confidently. The organisation on the other hand benefits from training, as the job knowledge and skills of

employees at all levels are improved. In support of this view, DeCenzo and Robbins (2010: 199) point out that the benefits gained from training should outweigh costs of the learning experience. Therefore, training of SGBs should bring improved performance on the management of school finances.

### **1.1.2 Importance of training evaluation**

It is important to evaluate the effectiveness of training to ensure that training achieves the intended outcomes in the organisation. Training has to promote value for money and change. Kirkpatrick (2006) suggested four attributes to consider when evaluating the effectiveness of a training programme namely; reaction, learning, behaviour and results. Reaction means evaluating trainees' reaction to the programme, (i.e. whether trainees liked the programme and if the programme was beneficial to them). The trainers can use evaluation forms to check feedback on how the trainees felt about the training.

The interviews will assist the researcher in checking the feelings of members of SGBs about the training. Every training has objectives to be achieved, therefore, in this area, the trainer can check if the objectives have been achieved by giving trainees tasks to perform. Behaviour involves checking whether the trainees' job behaviour has changed because of the training. Behavioural change will be observable through an improved performance by SGBs in managing the school finances. The results provide the trainer about the impact of training in the organisation and they also measure if the outcomes of training have been achieved. Increased performance of SGBs in managing of school finances could be an indicator of the effectiveness of training.

### **1.1.3 Learning theories and their influence on training**

Training is important and costly, therefore it has to be designed to achieve effectiveness. Organisations are struggling to make training programmes more effective

(Ahmad, Alkelabi & Jehanzeb, 2012). Learning theories play a significant role in providing guidance in the design, development and implementation of effective training programmes, since organisational performance depends upon employees' skills, knowledge and experiences (Chowdhury & College, 2006). Theories of learning show a relationship between a change in human behaviour and the context of training. Chowdhury and College (2006:1) view learning as a precondition for effective training. The trainee's behaviour shows a behavioural change, which increases performance if learning has taken place. Training is an instructor-led, content-based intervention and leading to desired changes in behaviour (CIPD, 2005). In training, learning is viewed as an intervening variable causing behavioural change. It is a dependent variable and experience or practice works as independent variables (Chowdhury & College, 2006). Therefore, training has an influence for learning to take place.

According to Ahmad et al. (2012:185), learning refers to internal processes and brings changes in performance behaviour. Ahmad et al. (2012:185) view performance to be the observed effect of learning on behaviour. With relevance to the study, the effectiveness of training will be seen in the improved performance of SGBs in managing school finances. It means that the individual improves the organisational performance by utilising their knowledge and skills. Consequently, the organisation offers training for the development of its employee performance to achieve required goals.

Learning theories are valuable tools that assist the trainer in designing an effective training programme. The learning theories are divided into four paradigms namely; behaviourism, constructivism, cognitivism and social learning theories. According to Chowdhury and College (2006:57), learning theories provide learning organisation with necessary skills at creating, acquiring and transferring knowledge and modifying its behaviour to reflect new knowledge and insights. For instance, the behavioural approach can facilitate mastery of the content of a profession; cognitive strategies are useful in solving tactics, where defined facts and rules are applied in unfamiliar situations and constructivist strategies are suited to deal with ill-defined problems

through reflection-in-action (Ertner & Newby, 1993). Understanding of learning theories will assist trainers in choosing an appropriate instructional design strategy.

## **1.2 STATEMENT OF THE PROBLEM**

According to Botha, Marishane, van der Merwe, van Zyl and Zengele (2013:214) decentralisation of financial control and devolution of decision-making authority and power (i.e. over school funding) to school-based management structures have altered the school financial landscape. As schools are given more powers and authority to manage school finances, this increases the expectations for accountability (Botha et al., 2013). For accountability to happen, SGBs should acquire appropriate skills in financial management. Erasmus et al. (2013:63) argued that the major challenge faced by many organisations is to train their employees to be equipped with the necessary knowledge, skills and attitude to do their work successfully. Training of SGBs to acquire required skills to perform their duties effectively is a great concern.

Xaba (2011) and Ndou (2012) revealed that SGBs experienced challenges in policy development, formulation and implementation. According to Xaba (2011:206), low-education levels contribute to difficulties faced by SGBs in the policy development, formulation and implementation. As a result, SGBs rely on principals and educators in the development and implementation of policies. Thwala (2010) concurs that SGBs are experiencing great difficulties in managing school finances. As a matter of fact, financial management requires implementation of financial skills. The study by Rangongo (2011:2) revealed irregularities in audited statements, late submissions of monthly financial reports and chaos during parents' meetings. These problems are typically occurring when SGBs present financial reports.

Mahlangu (2008:184) discovered that developmental training of newly appointed SGBs was insufficient for them to perform their duties effectively and efficiently. SGBs do not adhere to mandates of SASA regarding their roles and responsibilities in general and

management of finances in particular. Naidoo (2010:3) also reported that many schools do not have school policies to guide them on how funds should be managed and utilised, hence they do not stick to the budget.

Heystek (2004:51) highlighted that low literacy levels and limited experience of financial management are serious challenges that inhibit effective financial management in schools. Van Wyk (2007: 135) and Mngoma (2009:50) revealed lack of skills for decision-making and leadership among the parent component in the SGB. This component relies on principal and teachers. Naidoo (2010:7) concurs that financial governance is a challenge and that many schools lack knowledge on financial policy. Those schools with financial policies struggle with implementation and monitoring, hence they also struggle to account for the finances. Segwapa (2008:129) discovered that SGBs lack necessary skills and knowledge to execute their roles and responsibilities. The SGBs' lack of knowledge on meeting procedures and passiveness in meetings affects their ability to manage school finances.

Management of finances by SGBs is a complex and a challenging task. Despite training interventions offered to SGBs by the DoE, there seems to be serious challenges in the manner in which they execute their roles and responsibilities, they interpret and implement legislation and policies associated with the management of school funds.

### **1.3 RESEARCH QUESTIONS**

Central question: Why are SGBs in selected public schools not effective in financial management, in the JS Skenjana Circuit, Dutywa District in the Eastern Cape?

#### **Sub-questions:**

- To what extent do SGBs understand their roles or functions with regards to financial management after training?

- How do SGBs understand the legal framework governing school finances after training?
- What challenges do SGBs experience on financial management after training?
- To what extent do SGBs follow the correct procedures and guidelines in the utilisation of school finances after training?
- How did training on financial management improve effectiveness of SGBs?

## **1.4 RESEARCH OBJECTIVES**

### **Primary objective**

The primary objective of this study is to explore the effects of financial management training on task performance of selected SGBs in the JS Skenjana Circuit, Dutywa District in the Eastern Cape Province.

### **Secondary objectives**

- To explore the extent to which SGBs understand their roles or functions with regards financial management after training.
- To investigate SGBs understanding the legal framework, which regulates school finances after training.
- To examine the challenges faced by SGBs in the management of school finances after the training.
- To explore the extent to which SGBs follow the correct procedures and guidelines in the utilisation of school finances after the training
- To determine the effectiveness of SGBs after the financial management training.



## **1.5 SIGNIFICANCE OF THE STUDY**

The study will bring a better perspective and understanding on the functionality of SGBs in managing school finances. The findings of the study will give valuable insight into the challenges faced by SGBs in executing their roles and responsibilities, related to the management of school finances after the training offered by the DoE. The qualitative research methodology, research instruments (for data collection) and interview schedule questions will fill gaps on previous research studies conducted on the topics on financial management. The study will use an exploratory case study approach, focusing on the sample of schools in Dutywa District. The study will further identify gaps and challenges faced by SGBs and propose recommendations. The proposed recommendations will enable the DoE to develop future plans to capacitate SGBs. The findings of the study will assist the DoE in designing better training programmes and monitor the performance of SGBs.

## **1.6 CONTEXT OF THE STUDY**

Under the democratic government since 1994, South Africa is divided into nine provinces namely; Eastern Cape (EC), KwaZulu-Natal (KZN), Limpopo (LP), North West (NW), Free State (FS), Gauteng (GP), Western Cape (WC), Mpumalanga (MP) and Northern Cape (NC). Eastern Cape is one of the nine provinces in South Africa that is deep rural. Each province has its own provincial legislature and executive structure. The researcher has chosen Eastern Cape and specifically Dutywa as the area of study. Dutywa is the place where the researcher resides and is easily accessible, also time allocated and financial constraints were determining factors. This is a deep rural area where communities are disadvantaged and highly illiterate.

Dutywa District is composed of 349 schools with 15 circuits. The schools in the Dutywa District are rural, with poor infrastructure. The researcher has chosen the schools in the JS Skenjana Circuit, due to easy accessibility, geographical proximity of the schools

and financial limitations. Many schools in the JS Skenjana Circuit are experiencing difficulties in managing school finances.

## **1.7 CHAPTER LAYOUT**

This chapter provides a conceptual outline of the chapters in this research.

### **Chapter 1: Introduction and background of the study**

This chapter presents an overview of the study by giving the introduction on re-organisation of the school system. This chapter highlighted the relationship between the training offered and task performance of SGBs in managing school finances. The outline of the study problem and the background of the study were offered. Statement of the problem, research questions and objectives of research linked to research questions followed. The significance of the study and the context of the study were also presented. Research methodology which includes research methods, design, population, sampling, data collection strategies, data analysis and ethical considerations are included.

### **Chapter 2: Understanding the school governance, management environment and financial management in South African public schools**

This chapter discusses literature on school governance and management environment internationally and in South Africa particularly. Furthermore, South African school system was compared prior and after 1994. Roles and responsibilities of SGBs and capacity building for effective management and governance were also discussed.

The literature on financial management in schools, legislative framework regulating school finances, global trends on the management of finances in schools were discussed. The financial management challenges faced by South African schools and

financial management training in the school context were provided. The chapter concludes with a chapter summary.

### **Chapter 3: Research methodology**

This chapter discusses the research methodology followed in this study. Research paradigms were discussed. Research approaches and research design were discussed. Followed, the population, sampling technique, selection of participants and research procedures were outlined the issues of trustworthiness, credibility, transferability, confirmability and dependability were explored. The data collection methods, mechanisms for recording interviews were discussed, data analysis and ethical considerations were also discussed. The chapter concludes with problems encountered.

### **Chapter 4: Presentation, analysis and interpretation of results**

This chapter presents, analyses and interprets the results of this study. The chapter also provided an integration of the findings in line with the research questions. The summaries of key findings in relation to research questions were provided. The interpretation focused on whether the research questions were answered.

### **Chapter 5: Conclusions, limitations and recommendations**

This chapter presents the main findings of the study in relation to the research questions. The chapter also presents conclusions based on findings and recommendations of the study.

## **1.8 CHAPTER SUMMARY**

This chapter presented the orientation and background of this research. The research problem and questions were outlined, followed by research objectives. The chapter also

presented the significance of the study and the context in which the study was undertaken. A brief discussion of research methodology followed in this study was also presented. The chapter concludes with an outline of the study. In the next chapter, the understanding of the school governance and management environment will be conducted.

## **CHAPTER 2: UNDERSTANDING THE SCHOOL GOVERNANCE, MANAGEMENT ENVIRONMENT AND FINANCIAL MANAGEMENT IN SOUTH AFRICAN SCHOOLS**

### **2.1 INTRODUCTION**

This chapter presents an overview of school management environment and financial management in South African public schools. The terms management, governance school management and financial management were described. International perspectives and local perspective on school environment were discussed. School contexts before and after 1994 in South Africa were compared. The roles of SGBs were discussed and capacity building for the effectiveness of SGBs was explained. The chapter concludes with a summary. Financial management is conceptualised. A detailed discussion of the legal framework on financial management is also presented in the chapter. The chapter further discusses the financial management training in schools and challenges faced by SGBs in managing school finances.

### **2.2 CONCEPTUALISING SCHOOL GOVERNANCE**

The post-1994 democratic government in South Africa took a carefully considered decision to restructure the education system. A number of new legislative and policy decisions were promulgated. The White Paper 2 (DoE, 1996) brought about the new structure of school organisation, which created conditions for developing a coherent, integrated and flexible national system. Further, this is the new structure of school organisation, which advances the equitable use of public resources, an improvement in educational quality across the system, democratic governance and school-based decision-making within provincial guidelines. The restructuring of the education system has created a new structure for school governance (i.e. the SGBs). Reinforcing this new structural arrangement, Heystek and Louw (1999:21) argue for a collaborative school governance structure with the focus on school-based decision-making. This allows schools control over resources by which to develop and support curricula for the

benefits of learners. The White Paper 2 (DoE, 1996) clarifies the difference between "governance" and "management", to assist in describing the role of governing bodies. The sphere of governing bodies is governance, which entails policy determination and by which the democratic participation of the schools' stakeholders is essential. The primary sphere of the school leadership is management, which entails day-to-day organisation of teaching and learning, inclusive of all activities which support teaching and learning. In this regard, teachers and the school principal are responsible for all school activities. These spheres overlap and the distinctions in roles between principals and their staff, district education authorities and school governing bodies need to be agreed with the provincial education departments. This would permit considerable diversity in governance and management roles, depending on the circumstances of each school within national and provincial policies.

Effective school governance is enhanced through participatory decision-making. Participatory decision-making is geared towards enhancing the participation of all stakeholders to ensure that consensus is reached at all levels (Tikly, 1997:178). Traditionally, parents did not have a voice in the education of their children. The SASA mandated stakeholder participation through the establishment of SGBs. Currently, it is expected that parents, teachers and learners must be partners. The stakeholders are part of the decision-making process and its implementation (Masheula, 2003:7).

Effective school governance enhances quality teaching and learning. School governance emphasises the collaborative decision-making process that should reflect participative principles of a democratic society (RSA, 1996). The devolution of governance to SGBs was envisaged to promote greater community participation and collaboration in decision-making. Watkins (1991:26) argues that the philosophy behind participatory and collaborative decision-making expresses the belief that ordinary citizens have the capacity to govern themselves wisely. Participatory decision-making promotes ownership and commitment on decisions taken. Parents and teachers' involvement in decision-making can improve motivation and performance of learners.

According to Dekker and Lemmer (1995:154), various research findings on participatory decision-making, consistently indicate improved learner achievement. Further, this decision-making improved attendance and behaviour and also increased community support for schools, including human, financial and physical resources.

### **2.2.1 The concept of governance**

Jonker, Niekerk and Van der Waldt (2001) view governance as a means of ordering a group, community or society by public authority. They further argue that the purpose includes the maintenance of law and order, the defence of society against external enemies. Additionally, governance is all about the advancement of what is thought to be the welfare of the group, community, society or state itself. With relevance to this study, the public authority and the welfare of the community suggest that SGBs have overall powers to provide oversight on school finances. Governance refers to the act or manner of ruling or controlling with authority (Tulloch, 1993). According to Webster (1977), governance means the exercise to control and direct the making of policies. It therefore implies that SGBs are governing structures that are responsible for designing policies and ensuring adherence to these policies in schools. Consequently, the SGBs are therefore accountable for formulation and implementation of policies in schools.

### **2.2.2 School Governance**

According to Sithole (1994), school governance refers to the institutionalised structure entrusted with responsibility and authority to formulate and adopt school policy. This school policy could be adopted on a range of issues such as mission and ethos of the school, budgetary and development priorities. Potgieter, Visser, Van der Bank, Mothatha and Squelch (1997) define school governance as an act of determining policies and rules by which a school is controlled, organised and effectively governed. The DoE (1999) views school governance as a process of making decisions in schools

about the functioning of the school. The SGBs are institutionalised structures entrusted with school governance as regulated by SASA (RSA, 1996).

Legally, the composition of SGBs in South Africa places parents in the majority by one member. Therefore, the parent component within SGBs has the biggest stake in the decision-making process in schools. Based on the definition of governance, parents (i.e. as part of school governors), are at the central point in the governance, especially when school governance decisions are taken. According to the Ministerial Review Committee (2004), school financial decision-making is the major role of the SGBs. This is informed by the assumption that no schools can basically function without finances. It is also assumed that governance in general, exists in public offices such as schools. Therefore, governance plays a vital role in the effective functioning of the school.

## **2.3 CONCEPTUALISING SCHOOL MANAGEMENT**

A school is an organisation that has to manage financial resources in order to achieve its core function of quality teaching and learning (Bapela, 2012). Furthermore, Bapela, (2012:1) argues that in order for the school to manage resources properly, policies need to be developed according to rules, regulations and acts of the government. The SGB is the accounting authority for the management of financial resources. Therefore, members of SGBs have to be knowledgeable about policies, rules and regulations governing the management of school finances.

### **2.3.1 Definition of management**

According to Piek (1991:1), the term "management" has a literal Latin-English origin, namely, "manage" which means, "to control and direct a horse". Therefore, the term "manage" can be interpreted as, to control, to guide or to lead. According to Van der Waldt and Du Toit (1997:12), management may be considered one of the most important human activities, because it is the task of all managers at all levels in all



enterprises and institutions. All managers, in the performance of their duties, should create circumstances, in the form of management, in which people can cooperate to achieve stated goals. The management task is to combine, convert, coordinate and use an institution's resources effectively to achieve institution's objectives, as economically as possible (Van der Waldt & Du Toit, 1997: 180).

Managers are meant to carry out certain functions characterised as follows:

- Firstly, planning, which is aimed at determining an institution's purpose, mission and ways of obtaining the objectives.
- Secondly, organising, which is to develop a framework or organisational structure in an orderly pattern aimed at achieving the objectives.
- Thirdly, leading, which focuses on leadership which is about guiding, motivating and inspiring people in a manner which ensures actions that are directed towards the goals and plans.
- Lastly, control, which is to check and to ensure that the actual activities do correspond with the planned activities (Van der Waldt & Du Toit, 1997).

The process of controlling should also be seen as a monitoring process to secure effective results. Coordination is aimed at ensuring that there is no overlapping of activities and that institutions function according to objectives stipulated by legislation.

The school, like any other institution, must have leaders who contribute to the effectiveness of the school activities (Squelch & Lemmer, 1994:1). Therefore, the principal is responsible for school management as determined by the SGB. This study concentrates on the governance of a school, which is the responsibility of SGBs. This study further seeks to explore experiences of members of SGBs, since they are legally required to make the right decisions on the management of school finance (Khuzwayo, 2009).

### **2.3.2 School management**

Sithole (1994) argues that school management deals with day-to-day operations of the school by ensuring that teaching and learning take place effectively. This illustrates that educators and learners are implementers of policies, as adopted by the members of the SGB. The school management and governance are interdependent because the school management team manages daily school activities, as formulated in the policies designed by SGBs. Although school management is a function of the school management team (SMT), the SGBs play a supportive role. The school governance and school management definitions suggest that schools need to be run by visionary managers who always check how consensual policies are implemented (Sithole, 1994).

### **2.3.3 International perspectives on school management**

The school leadership has to remain accountable to a central authority for the manner in which resources are allocated to a school. Mohrman, Wohlstetter and Associates (1994:56) define school-based management as the formal alteration of governance structures. This is a form of decentralisation that identifies the individual school as the primary unit of improvement. It further relies on the distribution of decision-making authority as the means through which improvements might be stimulated and sustained. Some formal structures often composed of principals, teachers, parents and at times students and community residents. They are created so that site participants can be directly involved in school-wide decision-making.

Decentralisation of authority started in international countries and the South African government followed the trend after 1994 through the establishment of SGBs. Caldwell and Spinks (1988:5) define a self-managing school as one where there has been significant and consistent decentralisation to the school level of authority to make decisions related to allocation of resources. This decentralisation is administrative rather

than political, with decisions at the school level being made within a framework of local or national policies and guidelines.

According to Soga (2004), self-management of schools was first introduced in international countries like United Kingdom, Australia, United States of America and New Zealand. Soga (2004) identified the commonalities regarding self-management of schools in the UK, Australia, USA and New Zealand. These commonalities assisted UK, Australia, USA and New Zealand to facilitate learning.

The commonalities are firstly, the creation of school-site councils, for example, SGBs or school boards. These “boards of trustees” comprise the principal, educators, administration staff, parents and learners in secondary schools. Formal responsibility of managing school finances and approving the budget has been allocated to these site councils. These councils should operate within a framework of state policies to generate school policies. Secondly, a lump sum is allocated to schools for schools to manage their own finances and to set priorities to meet the local needs.

Thirdly, parental involvement is an important component of the self-managing schools. The influence of parents in the schools’ decision-making power pertaining the allocation of resources, personnel and facilities is increased. Fourthly, the devolution of finance, human and physical resources to schools is a characteristic of self-managing schools. Schools have a significant control over staffing, budgets, policies and daily operational procedures.

Fifthly, self-managing schools apply participative management and decision-making and therefore, these schools are expected to come up with their own policies in line with the state policies. Sixthly, decision-making is pushed as near as possible to the point of delivery to increase accountability of schools to the community. Teamwork and shared leadership are implied.

Finally, local communities are empowered to make decisions through membership of school committees, so that schools are independent in managing their own affairs and meeting local needs. In all the countries identified, there was a shift of power from central government to the school level. The decentralisation of power to schools was a strategy to strengthen decision-making and accountability to school communities (Soga, 2004).

The notion of giving schools power to be self-managing is supported through decentralisation by Naidoo (2005); Tsotetsi, Van Wyk and Lemmer (2008). Sackney and Dibski (1994:108) argue that cultural norms, values, assumptions and belief systems should change before school-based management can realise its potential. If school-based management is to work, more attention needs to be focused on instructional improvement. School systems need to transform their culture from one of central control to that which values autonomy and empowerment. Such a restructuring entails more attention to professional development in the areas of shared decision-making, team building, conflict resolution, effective communication, planning and evaluation. In the early 1980's school-based management has become a global trend in public education together with its greater emphasis on parental involvement and community participation (Gamage & Hansson, 2008).

#### **2.3.4 Managing the South African school environment**

A school is a public entity and therefore stakeholder involvement (e.g. parents, teachers and learners) and participation is vital to achieving the goals of democracy. These goals of democracy seek to transform education system through democratically elected structures (Mahlangu, 2008; Mashele, 2009).

The dawn of democracy gave rise to the SASA no 84 of 1996 (RSA, 1996). This legislation governs all public schools in South Africa. The SASA puts forward the involvement of parents in the management of school resources, especially the financial

resources. Education is a societal matter and therefore needs the engagement of all stakeholders. The SASA emphasises the importance of stakeholder participation (Xaba, 2004). The partnership of parents with school can strengthen effective and efficient management and governance in school. Lemmer and Van Wyk (2004:126) postulate that education is a societal matter and therefore all stakeholders, parents, educators, learners and local community members should be actively involved in the organisation. All stakeholders should be actively involved in governance and funding of schools, as the state has inadequate financial and organisational capacity to do everything for schools.

Parents are not only co-educators, but statutorily, they should be involved in the governance of schools where their children are enrolled. As a statutory body, a school governing body must ensure the participation of parents, educators, other staff members, principals, learners and co-opted members (Lekalala, 2006). Quan-Baffour (2006:26) views that today in South Africa, education is a societal matter where democratically-elected SGBs play a prominent role. The SGB is vested with the power and authority to determine the school policy and a wide range of duties (Lamola, 1996: 20).

Mestry (2004:128) reported that prior to the promulgation of SASA (RSA, 1996) every principal was considered an accounting officer and they were accountable to the Head of Department (HoD). The HoD institutions carried all the burden related to management of school finances, starting from writing a receipt to opening a bank account. The general purpose of the SGB is to perform its functions effectively and efficiently in terms of the SASA, on behalf of the school and for the benefit of the community. A governing body is therefore placed in a position of trust by the government to effect proper learning (Nkosana, 2003:9; Xaba, 2004:314).

## **2.4 THE SOUTH AFRICAN EDUCATION SYSTEM PRIOR TO 1994**

In 1953, the National Party (NP), which was the ruling government, initiated stakeholder participation by introducing Bantu Education Act of 1953 (RSA, 1958; Seroto, 2004). This allowed the government sole control of black education and led to the introduction of a mediocre and discriminatory curriculum for all black learners. Black parents had no contribution, since they were voiceless and powerless during the formulation of educational policies and curricula. This contributed to black children receiving a mediocre education as compared to white children (Chaka, 2008).

The apartheid policy of the NP divided the country into Bantustans or homelands, for so-called different nations in South Africa. There were fifteen different ministries of education. Four in the homelands namely; Transkei, Bophuthatswana, Venda and Ciskei (TBVC states). Six in the self-governing territories namely; Gazankulu, KanGwane, KwaNdebele, KwaZulu, Lebowa and Qwaqwa. One ministry was responsible for catering Afrikaans outside the homelands and one in each of tri-cameral houses of parliament, catering for whites, coloureds and Indians. Further, the Department of National Education (DNE) was established in 1984 and was responsible for coordination and countrywide norms and standards (DoE, 1995).

The Hunter Report (Hunter, 1995) identified three types of schools in 1994; the state schools (the majority of black, coloured and Indian schools), state-aided schools (i.e. ex-model C schools, community and farm schools) and Independent or farm schools. During the apartheid regime, community participation was introduced through school councils, school committees and school boards (Behr, 1978). Although there were racial disparities in all schools, school councils and school boards played a consultative role. There was autonomy for parents in the white schools, with supervisory and advisory roles. In the black, coloured and Indian schools, governance structures played a consultative and advisory role all along (Naidoo, 2005). The various systems of education lacked both financial and management accountability. This was owing to

problems of over-decentralisation of control and limited legitimacy of the political authorities (Bush & Heystek, 2003:3).

Before the introduction of school boards, previously disadvantaged schools were under the control of the local Bantu authorities. This was prior to 1955 when schools were still built by missionaries, whilst controlled by the government of South Africa (Hartshorne, 1992:37). Due to the resistance encountered by the local Bantu authorities (i.e. as agencies of the then apartheid government), the government was compelled to dissolve the local Bantu authorities before 1955 and introduced school committees or school boards. As for such, school boards were local governors that were also appointed by the apartheid government with the aim of creating among the Bantu (previously disadvantaged communities) a sense of responsibility by allowing them to accept that their development is their own concern (Hartshorne, 1992:37).

In 1985, the Soweto Parents' Crisis Committee was formed as a community organisation that had an interest in education. At the December 1985 Witwatersrand Conference of the African Teachers Association (ATASA), it was resolved that the Parents -Teacher -Association (PTA) in primary schools and Parents -Teacher-Student - Association (PTSA) in secondary schools be set up in all previously disadvantaged school (Hartshorne, 1992:311).

Van Schalkwyk (1990) states that the purpose of PTSAs was to combine efforts of parents and teachers to a very limited extent, collect funds, assist with the transportation of pupils and entertainment.

Attacks on both teachers and learners militated against the functioning of these associations. However, this laid the foundation for the establishment of an education system that later replaced the Bantu education system, with its school board system. This was hailed by previously disadvantaged communities as a milestone in the provision of democratic school governance and quality education. Prior the South

African independence, school governance was administered by structures called statutory and non-statutory bodies (Van Schalkwyk, 1990).

### **2.4.1 Statutory bodies**

In 1948, the year apartheid was formally implemented, school governance in South Africa consisted of statutory bodies, namely; school committees and boards (Seroto, 2004). The main purpose of the school committees and boards was to increase the participation of parents in decision-making during the formulation of educational policies (Nzimande, 1993).

Unfortunately, this participative approach was not applicable to black South Africans, as the white officials who were responsible for their educational affairs became the only actual decision and policy-makers. (Hyslop, 1989) argues that in principle, blacks were allowed to take ownership of schools, even though this was practically not the case. The school governance structures had no voice in any decision-making about the quality of education. The statutory bodies were local management bodies that worked with the principals and selected parents to control and manage certain activities like fundraising in schools.

#### **2.4.1.1 School boards**

The school boards were initiated from 1955 to 1980 by the apartheid regime (Van Schalwyk, 1990). A school board was a legal entity and was empowered to take action as both plaintiff and defendant. At the district level, it was regarded as a management body consisting of six, nine or twelve people representing various institutions. Members of the school board were appointed by the administrator. The school board had no control over professional work of institutions (Van Schalkwyk, 1990:88). Further, the board assisted the DoE regarding the administrative work at the local level (Van der Westhuizen, 1995: 431).



School boards or school committees provided for a modicum of stakeholder involvement, but were not truly representative of stakeholders. This is because they were organised on an ethnic basis. The communities they represented eventually regarded them as agents of the apartheid government, which promoted the most hated Bantu education (Hartshorne, 1992:42). Bantu education promoted the supremacy of whites and their education system. The school board members did not enjoy the support and trust of parents and teachers, because they were viewed as agents of the apartheid government (Hartshorne, 1992:39). Furthermore, the school board system was characterised by undemocratic practices, racism, inequality and gender bias.

The duties of school boards were firstly; to appoint discipline and dismiss teachers and secondly; to mobilise the community to provide funds for running the school, maintain it and to expel learners and teachers from schools for reasons considered to be sufficient to do so (Hartshorne, 1992:289; Lamola, 1996:19).

The school board members also ensured that complaints about principals and teachers were addressed. They had to inquire about teachers' capabilities of effectively delivering the subject matter to the pupils (Lamola, 1996:20). Further, they endorsed the authority of the principal as they could not decide on the curriculum and medium of instruction to be used at school (Quan-Baffour, 2006:27). Very few school board members were effective and fair in their dealings with teachers. The majority of school boards were incapable of carrying out their responsibilities and used the powers of recommending teachers for their own ends (Hartshorne, 1992:289).

Consequently, the period from 1955 to 1980 known as the "school board era" was a demoralising time for teachers and parents alike, as it did nothing to advance their interests. Ultimately, parents had no opportunities for delivering input regarding the education of their children. Thus, external forces decided the future of their children, because of the poor relationships between school boards and teachers. In certain cases, they were boycotted by teachers.

School boards also encountered problems from the apartheid government because of their opposition to the use of Afrikaans as a medium of instruction in African schools. The problems appeared through the resistance of previously disadvantaged parents and teachers, as well as the growing demand of the 1980s for consumers to have a say in the decision-making process at schools. Subsequently, the autocratic school board system was eliminated in 1980 and teachers were directly employed by the DoE (Hartshorne, 1992:302).

#### *2.4.1.2 Local management council*

School governance restructuring embodied in the SASA began in the 1990s in a report presented by the Review Committee known as the *Organisation, Governance and Funding of Schools*. The Review Committee revealed that the inherited models of school governing councils were a product of apartheid and its philosophy (RSA, 1995:25). A management council was a local management body which comprised representatives of parents from the community chosen by the principal of the institution. This management council would serve on behalf of parents in that particular school (Van Schalkwyk, 1990: 150). The local management councils were the mouthpieces of the parents regarding the physical and material matters of the institution. These management councils were further responsible for the provision and maintenance of school grounds, buildings and equipment, as well as making recommendations to school boards. They also collected funds and control such funds.

#### **2.4.2 Non-statutory bodies**

Most of the old statutory governance structures, especially those in African schools had little legitimacy in their communities. As a result, they collapsed as functional structures long before the end of the apartheid era. They were beset by a fundamental and inherent potential tension, since they were acting as broad-based representative structures. These broad-based structures were parallel and alternative to apartheid

structures, simultaneously attempting to take over the functioning of schools at both policy and day-to-day level (Sayed & Carrim, 1997:1). However, they were unable to fulfil both functions, partly because their representativity was resisted. Hence, the schools became sites of conflict and contestation as various role players attempted to assert their power, hence effective education collapsed. There were calls by educator unions, learner organisations and communities to restructure in ways which would place governance school in the hands of all stakeholders (Mahlangu, 2008; Mashele, 2009; Mpunza, 2015).

In 1985 the National Education Crisis Committee (NECC) was established during a time of deepening crisis in black schools (Karlson, McPherson & Pampallis, 1999). The NECC called for the establishment of the PTSA and PTA (Seroto, 2004:112). Sithole (1994:2) points out that, the name PTSA is a representative body of school governance comprising the parents, teachers and students of a secondary school. According to (Karlson, 2002:132), at the primary school level, the body was called a Parent-Teacher Association, referred to as the PTA. Here, student component was excluded because they were considered too young to be involved in decision-making.

The PTA and PTSA brought together local stakeholders to participate in the running of schools. They ensured the continued operation and education, while still effectively channelling anti-apartheid struggle activities. The PTSA's function was to promote a democratic approach to a decision-making, problem-solving and communicating the importance of the educational aims of the school within communities (Sithole, 1994: 48). These were the building blocks of the "People's Education". This term was used to express a democratic and non-racial alternative to Bantu Education (Nzimande, 1993: 66).

The PTSAs were therefore established as a struggle instrument to oppose the apartheid government, together trying to manage the problem of instability at schools. Disregarding the discrepancy in role and function, the number of PTSAs and PTAs grew

after 1990, hence were accepted as school governance structures in the schools in black communities.

Non-statutory bodies were free and autonomous associations or committees that were established by their own members at their own initiatives. Their fundamental aim was to promote parental interest and involvement in education (Van Schalkwyk, 1990:150). Although the purpose of the PTSA was a constructive stance, its existence was not accepted by the community, because they were regarded as illegitimate structures imposed by the apartheid government. This was caused by the lack of transparency.

Both the statutory bodies and non-statutory bodies served as links between parents and the school. The PTSAs were not involved in the fundamental educational matters like policy making, decision making and accountability (Mahlangu, 2008: 24). Therefore, the establishment of PTSAs was a positive step towards the democratisation of education. However, the chains of apartheid were a stumbling block towards the fulfilment of a democratic education.

## **2.5 THE SOUTH AFRICAN SCHOOL ENVIRONMENT POST 1994**

In an attempt to restructure the South African education system, the DoE published numerous policy documents. Such policies were in congruence with stipulations of the Constitution of the Republic of South Africa, Act 108 of 1996 (Naidoo, 2010:1). The DoE published a White Paper 1, DoE 1995 on Education and Training, White Paper 2, DoE 1996 on Organisation, Governance and Funding of Schools and the South African Schools Act no 84 of 1996 (RSA, 1996) to foster democratic institutional management at school level.

As a result of these new policies, schools were given more authority and decision-making responsibility. The change in the education system shifted towards self-managing schools. This is meant to promote decentralisation of authority and

responsibilities, to make decisions related to the allocation of resources, which therefore increases accountability (Cadwell & Spinks, 1988:5).

The promulgation of SASA implied partnership of stakeholders' participation with the school management team (SMT) (RSA, 1996). The introduction of SGBs was seen as an important step towards the improvement of the quality of teaching and learning as well as transparency and accountability to the people who had elected them (Nyambi, 2004:1).

### **2.5.1 Stakeholders for effective school management**

According to Thurlow and Lenan (2003), stakeholders are all those who have a legitimate interest in continuing effectiveness and success of institutions such as school. Bush and Heystek (2003) concur with Thurlow and Lenan (2003) when they say that the concept of "stakeholders" is based on the notion that certain groups and individuals have an interest in the activities of an institution. The SGBs are comprised of multiple stakeholders, since they (i.e. SGBs) represent a significant milestone by government in attempt to transform education in South Africa. The rationale for establishing these structures at school level was mainly a commitment to develop a democratic education system. This education system would improve the participation of all stakeholders with an interest in democratic school governance.

According to Bapela (2012), stakeholders were given an opportunity to participate in the education of their children in the post-apartheid South Africa. The then school committees and parents' associations were replaced by a more representative body called SGB. The SGB comprised of parents (i.e. who have learners in the school), learners, teachers, support staff and co-opted members. The aim was to increase parental involvement in the schools serving their children. Secondly, it was aimed at encouraging parents to accept ownership and responsibility for the schools. However, concerns were raised as parents were unprepared for this new responsibility. This aim

could only be achieved if the provincial education authorities implemented training programmes, these training programmes would assist in preparing parents for this new responsibility (Pretorius & Lemmer, 1998:23).

Lekalala (2006:20) points out that parents are not only co-educators, but statutorily they should be involved in the governance of schools, where their children attend. Consequently, through involvement of all stakeholders in the decision-making processes in a school, a more effective learning environment is generated (Sackney & Dibski, 1994; Brown, 1991).

Looyen (2000:49) postulates that education reform should be aligned to bring parents back into the ambit of educational governance. Reason being that participatory-parental involvement is designed to unlock traditionally centralised, bureaucratic structures that insulated policy and decision makers, who were often unable to share aspirations of school communities. Parents throughout the world seek to be liberated and call for greater involvement in school governance. This parental involvement ensures, among other things that schools provide a service that is relevant to community needs.

According to Looyen (2000:19), the mobilisation of society to participate in educational reform is critical in ensuring that schools come to mirror the needs, desires, aspirations, hopes and expectations of the community. In realising these, communities mobilised, interacted and clustered skills to enhance and contribute to the well-being of the school. This process will enhance democracy and accountability among all stakeholders in schools, which will create necessary conditions for quality education in schools. Marishane (1999:33) argues that the state has inadequate financial and organisational capacity to do everything for schools. All stakeholders, namely; parents, educators, learners and local community members should be actively involved in the organisation, governance and funding of schools. The envisaged partnership between the community and the state in the running of the school is vital in ensuring quality teaching and learning through provision of adequate resources.

### **2.5.2 Roles and responsibilities of SGBs regarding the management of school finances**

The enactment of SASA in 1996 gave birth to democratically-elected SGBs. According to Baruth (2013) SGBs were created firstly, to provide for the democratisation and decentralisation of the education system. Secondly, to promote the devolution of decision-making powers from central to school level. Thirdly, to establish the notion of self-managing schools and institute participative management, shared responsibility and accountability among the stakeholders of the school organisation.

Section 20 of the SASA, sets out the stipulated functions of the governing body (RSA, 1996). The SGB has an obligation to draw up a school constitution, which reflects community values and norms (Segwapa, 2008:47). A particular school's constitution serves as an umbrella, under which all other policies are drawn up. Hence, it should be in line with the Constitution of the Republic of South Africa, the SASA and other relevant provincial laws (RSA, 1996).

The SGBs were established to further the educational aims of the school within the community, inculcate a democratic approach to decision-making, problem-solving, fund-raising and monitoring the usage of school funds (Lamola, 1996:27). These bodies are not expected to work in isolation, but to act as a corporate entity in everything they do (Walters & Richardson, 1997:27). They should share responsibilities with the school principal and the staff. SGBs should make decisions on behalf of the school, see to it that the school is administered properly and that all stakeholders share in the decisions of that body (Nyambi, 2004:2). They (i.e. SGBs) should introduce a system of governance, which would be transformative, inclusive, flexible and democratic, in order to accommodate the different contexts in which the school operates (Quan-Baffour, 2006:27).

Furthermore, these school bodies have a responsibility to formulate and adopt financial policies in their respective schools (RSA, 1996). After the formulation, adoption and implementation of financial policies, such policies should be monitored by the SGB (Mc Lenan, 1996:36). In the same vein, (Potgieter, Visser, Van der Bank, Mothatha, & Squelch, 1997:19) point that SGBs have to ensure that a school budget is drawn and it should consider the needs of the school. The school budget should be formulated in such a way that it reflects effective, efficient and economical usage of finances.

The SGB is vested with powers to ensure effective and efficient governance of the school. As such, the job of the governing body is to promote the best interest of the school and to ensure that learners at the school receive the best education possible. They (i.e. SGBs) should also help school principal to organise and manage the school activities in an effective and efficient way (DoE, 1997:7). As governors, members of the SGB are expected to work collaboratively in decision-making, problem-solving and budgeting. More importantly, SGBs are expected to work collaboratively with the school principal, students, staff members and other stakeholders (Mashele, 2009). Since they (SGBs) are policymakers, they are accountable for proper implementation and monitoring of policies, procedures and regulations (Rangongo, 2011). With reference to the study, the major role of SGB is to manage school finances. These bodies have a huge role of legislative authority and accountability over school finances.

According to (DoE, 2009:10), the SGB should control and monitor school funds in an appropriate way. This should be implemented in the following way:

- Firstly, it should monitor all expenditures incurred.
- Secondly, it should inspect all vouchers to ensure that they are in line with all prescripts or other departmental directives.
- Thirdly, satisfy themselves that expenditure is in accordance with the approved budget and PFMA regulations.
- Fourthly, keep financial records and statements of public schools.



- Fifthly, keep records of assets, liabilities, and financial transactions, and draw up annual financial statement and budget documentation.
- Lastly, present audited financial statements to parents meetings not later than the 30<sup>th</sup> March of the following year.

Members of the SGB need to acquire financial skills and knowledge of financial legislation, so that they can perform duties in managing school finances adequately.

### **2.5.3 Involvement of school governors in school management**

The state's reform initiatives in creating the decentralised form of school governance have provided schools with the opportunity of striving for their effectiveness. This should be done in ways which do not necessarily have to follow any prescribed rubric (Simkins, Elison & Garet, 1992:45). Partnerships between social structures with an interest in education are important for the effective provision of education, although it was not fully acknowledged by the state (Dekker & Van Schalkwyk, 1995:483). The democratic government advocated for partnerships in public schools and further, for schools to become centres of community life (Mahlangu, 2008). Section 39 of SASA encourages community involvement in matters pertaining to finance in schools. The SGB has to present a draft budget to parents for approval, since it has vested all authority to manage financial resources (RSA, 1996). Section 51 of the PFMA of 1999 states that the SGB must manage expenditure, including the safeguarding of assets and the management of revenue. It must prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct and expenditure not complying with operational policies of the school (RSA, 1999).

In order to understand the management aspects in which governors are involved as major partners in the school, it is necessary to distinguish between duties and responsibilities. Official documents, such as circulars and government gazettes, often

refer to duties and responsibilities in a way that could give the impression that they are synonymous (Marishane, 1999).

According to Lea (1993), governors have duties placed upon them as a collective of a governing body, rather than people with the effect that authority rests with the entire body and not individual members. Each member is given personal responsibilities to meet, quite apart from what the law demands. In the spirit of partnership, this implies that even though governors are elected, they are not just delegates or representatives, but members of the governing body. Hence their authority is not personal or individual (Lea, 1993:3). This is in accordance with the concept of “local management of schools” applied in South Africa, USA and Britain. The involvement of governors in the management of schools may be discussed in terms of their roles in and influence on the management of schools and their resources.

#### **2.5.4 The influence of the governing body in the management of the school**

The SGB is a crucial stakeholder in the education system and therefore has a fundamental impact on the quality of education received by learners. Their functionality or lack thereof has a marked influence on the effectiveness of the school (Maluleka, 2008). Under the SASA 84 of 1996, the SGBs in each public school assume a joint responsibility with the provincial education authorities, for the provision and control of education (Nkosana, 2003:26). The SGB influences the way resources in the school are managed. This influence is brought about by the decentralisation of governance to the school level and the concomitant encouragement of such development by the state (Marishane, 1999: 90).

Although the governing body does not manage the school, it is empowered to exercise its influence over the management of all the resources in the school. This includes the curriculum; human resources (i.e. such as learners, educators, parents and non-

educating staff); physical resources (i.e. such as buildings and grounds) and financial resources which are indispensable to effective teaching and learning. Since the governing body is accountable to the DoE, parents, learners, staff and the community, it acts in partnership when decisions are taken on the management of the school's resources. In other words, it has to collaborate and consult with all the stakeholders in the school, since the school does not belong to the governing body, but to all the stakeholders represented in it.

## **2.6 CAPACITY BUILDING FOR EFFECTIVE MANAGEMENT AND GOVERNANCE BY SGBS**

Since SGB members come from diverse backgrounds, they tend to display a wide range of governance competencies. Some of these competencies do not comply with the governance requirements enshrined in the SASA (RSA, 1996). There is, therefore, a need for the establishment of a capacity-building programme to empower SGBs to be more effective and efficient (Mahlangu, 2008:24). (Segwapa, 2008:55) contends that the capacity-building programme is necessary to acquaint SGBs with meeting procedures, to manage paperwork and to make positive contributions during meetings with confidence. Lamola (1996:39) refers to capacity-building as an enlightening process, which helps people to see opportunities for change and break the bounds imposed by habitual ways of knowing and doing. Wolfendale (2000:3) refers to this process as a means as well as an end for realising and expressing the wants and needs of people. Further, this process is also ensuring the rights of parents so that the parental voice is heard and has an influence. In this study, capacity-building implies empowerment of SGBs through training and workshops. This is simply to acquire necessary knowledge and skills that will assist in executing their roles and responsibilities efficiently and effectively.

Since the introduction of SGBs, the critical problem confronting the DoE has been the capacity-building of SGBs. According to Nyambi (2004:6), most SGBs do not yet have

the required skills and experience to exercise their new powers and fulfil their functions. Without knowledge and skills, people cannot make informed decisions to achieve their goals.

The purpose of capacity-building is to assist the inexperienced governors to perform their required functions with confidence (Mahlangu, 2008:50). For community members to be actively involved in a school's decision-making, they need support and empowerment from both the state and non-governmental organisations. Section 19 (1) (a) of the SASA asserts that the HoD must establish a programme to promote introductory training for newly-elected SGBs out of funds designated for this purpose by the provincial legislature, to enable them to perform their functions adequately (RSA, 1996).

## **2.7 CONCEPTUALISING FINANCIAL MANAGEMENT**

According to (Maritz, 2005), the most important reason for financial management in schools is to ensure that proper planning, organisation and control of the funds is done. This is done with an aim to achieve the goals in an ethical, responsible and sustainable way. Lewis (2003:12) defines financial management as entailing planning, organising, controlling and monitoring the financial resources of an organisation to achieve objectives. Ngubane (2009) proposes that proper financial management means managing financial records properly, in order to make decisions about the future of the organisation. Therefore, financial management involves proper management and utilisation of financial resources with proper control and management systems in place.

### **2.7.1 Financial Management in a School Context**

Financial management in the school context entails the performance of management actions connected with the financial aspects of a school to achieve effective education (Joubert & Bray, 2007). The SGBs are mandated by SASA to use money at their

disposal to promote the efficient and effective education at school (Clarke, 2012). The main thread in this description of financial management is the connection made between the management tasks and the financial aspects of a school. The implication is that the management of school finance involves planning, organising, leading and controlling (Clarke, 2012).

In order for a school to manage its finances effectively and efficiently, its finance policy should be developed, adopted by all the relevant stakeholders and implemented accordingly (Mestry, 2004:1). The finance policy should clearly outline duties and responsibilities of the treasurer, finance officer, auditor, finance committee, principal and other persons, to whom specific tasks are delegated. Furthermore, Bischoff and Mestry (2003:12) indicate that SGB needs to bear in mind the following aspects, which constitute good financial management:

- Firstly, all income that is due to school should be identified and all collections should be receipted, recorded and banked promptly.
- Secondly, the responsibility of the SGB, its committees (especially the finance committee), the principal and staff should be clearly defined and the limits of delegated authority should be clearly established.
- Thirdly, the budget should reflect the school's prioritised educational objectives.
- Fourthly, the school should establish and implement a sound internal financial control system, to ensure reliability and accuracy of its financial transactions.
- Fifthly, the school should control the use of petty cash.
- Sixthly, the school funds should be administered rigorously as public funds.
- Seventhly, the school should ensure that purchasing arrangements comply with good accounting practice, that is, quality should not be sacrificed.

Therefore, if quality schooling is to be achieved, inter alia, the finances of schools should be managed well. This highlights the need for a sound financial system, informed by a distinct financial policy.

According to Le Roux (1999:160) and Van Rooyen (2007:123) in order to understand the financial function and implement it successfully, the role players need to be familiar with concepts of basic financial management. Additionally, the role players need to have a better understanding of these concepts, which help in the effective management of finances. Le Roux (1999) further suggests that schools should develop strategies to evaluate their SGBs' effectiveness on financial management. This will allow greater opportunities to compare and contrast financial decisions of similar schools. As a governance structure, members of SGB must know and understand legislation and financial prescripts that govern the use of state finances (Rangongo, 2011). Sound relations among all the stakeholders at school level can enable the school to achieve its objectives effectively and efficiently. Nieuwenhuis (2001:80) points out that one of the key aspects in ensuring effective and efficient management of an educational institution is financial management. This financial management is intimately related to planning, organising, supervision, monitoring and evaluation. The SASA provides guidelines for the SGBs and the school principals on their roles and responsibilities in managing the finances of the school.

### **2.7.2 The Legal Framework on Financial Management in South African Public Schools**

The management of school finances is regulated by legal framework and policies. The legal requirements regulating the management of school finances are discussed in the White Paper 1 of 1995, Constitution of South Africa Act 108 of 1996, South African Schools Act 84 of 1996, National Norms and Standards on School Funding of 1998 and Public Finance Management Act 1 of 1999.

### 2.7.2.1 *The White Paper on education and training*

The White Paper 1 was the first policy document developed by the post-apartheid government in restructuring and transforming the education system in South Africa. The document describes the process of transformation in education and training which will result to a system serving all the people, the new democracy, and Reconstruction and Development Programme (RDP). The policy proposals set out in the White Paper 1 are directed at initiating fundamental change in the character and content of the South African education and training system. These proposals are designed to ensure democratisation, a clear framework for redress, equity and the transformation of our educational bureaucracy. It is a challenge that can only be met collectively and in a partnership of all sectors of South African society (RSA, 1995).

The White Paper 1 brings four aspects related to the transformation of education, as follows:

- the need to change the education and training system
- the establishment of school ownership
- governance
- finance

Education and training are the driving tools that will redress the inequality of the past and bring about change in the new democratic system of education in South Africa.

Rangongo (2011) puts forward proposals as envisaged in the White Paper 1, regarding school organisation, governance and funding of schools. According to Rangongo (2011: 36), the points of departure are explained in the following way:

- The first point of departure of the White Paper 1 gave guidelines on establishing a new pattern of school ownership, governance and funding in the new South Africa.
- The second point of departure was governance in public schools. The White Paper provides that SGBs should be representative of main stakeholders in the school. Parents have the most stakes in the education of their children and this should be reflected in the composition of the SGB where it is practically possible. Rangongo (2011:36) further states that the state involvement in school governance should be at the minimum required for legal accountability and should in any case, be based on participative management. The decision-making powers of SGBs should reflect their capacity to render effective service.
- The third point of departure was on financing public schools. The White Paper provides the basis for financial allocation to different categories of state and state-aided schools. The allocation must be equitable and transparent hence, should be aimed at eliminating historical disparities based on race and religion and ensuring an acceptable quality of education.
- The fourth point of departure was that the Minister of Education without delay appoints a committee to review school organisation, governance and funding.

The Review Committee was asked to analyse the current situation prevailing on school organisation, governance and funding in terms of existing legislation, the 1993 Constitution and to undertake suitable research and make recommendations to the Minister. The proposed national framework on school organisation, ownership and norms and standards on school governance and funding shall improve the quality and effectiveness of schools and be financially sustainable from public funds (Rangongo, 2011).



### 2.7.2.2 *The South African Schools Act 84 of 1996*

The South African Schools Act 84 of 1996 was established to provide a uniform system for the organisation, governance and funding of schools (RSA, 1996:1). According to Soudien (2003:9) the SASA was the cornerstone of the education legislation to be passed by the democratic government. Joubert and Prinsloo (2009:25) also noted that the purpose of the SASA is to provide for school education in South Africa, particularly the organisation, governance and funding of schools. The SASA gave the parents power to control and manage school funds in order to achieve quality education for their children. The Act also promoted the participation of parents in decision-making on matters affecting the schooling of their children.

According to Marishane (1999), schools benefited more from decisions made by the local community as compared to those of the state. This is because local people could identify with problem areas and deal with them immediately. According to Harber (2001), the SASA supports a democratically-governed school system that creates partnerships among all stakeholders. Baruth (2013) concurs that the SASA clearly maintains that parents are an important constituent of the SGBs, as they serve as partners in education. In so doing, SASA recognises parents as active role players in the decision-making in order to promote effective teaching and learning. In the same vein, Marishane (1999) asserts that parents are not only responsible for their learner's education, but need to be partners in the provision of education. All public schools are expected to work according to rules and procedures stipulated by SASA.

Section 16 (A) of SASA places an obligation on school principals to become good custodians of school funds and to fulfil the obligations to take all reasonable steps, to prevent maladministration or mismanagement of such funds by any staff member or by the governing body of the school. Furthermore, school principals must report any maladministration or mismanagement of school funds to the SGB and to the HoD (RSA,

1996: 16). Equally, Section 37 of SASA puts an obligation on public SGBs to manage and administer school funds in an effective and efficient manner (RSA, 1996: 37).

#### *2.7.2.3 The Constitution of the Republic of South Africa, Act 108 of 1996*

The Constitution, being the supreme law of the country, implies that all other laws, such as education legislation and all other organs of state and persons, are subject to its authority and must be in line with its provisions (Van Rooyen & Rossouw, 2007:12). Therefore, legislation framework for school governance must be guided by the constitution. Carrim (2001:102) points that the Constitution depicts democratic representativeness nationally and in a way, dictates the same democratic principles across all other state organs.

In terms of Section 239 of the Constitution, public schools are organs of state and the functioning of their SGBs as accounting authority, in particular, their policy-making function requires an understanding of the founding values of the Constitution, which forms basis of the legislative provisions for school policies. Clarke (2012:107) points out that the Constitution places an obligation on the government to provide funds to ensure an acceptable quality of education at departmental, community-managed or state-aided primary or secondary schools on an equitable basis. According to Makrweide (2012), the SGBs are expected therefore to manage their school finances in accordance with public sector ethos based on a set of distinct values. These values comprise impartiality, transparency and openness as enshrined in the constitution. They must at all times seek to promote the highest ethical standard of probity and modesty, which apply in the handling of public money.

#### *2.7.2.4 National Norms and Standards for School Funding of 1998 (Government Gazette 2362 (As amended in 2000))*

This policy document provides guidelines and procedure on National Norms and Standards for School Funding in terms of SASA. The basic principle of the allocation of funds to school as indicated in Section 39 of the National Norms and Standards for School Funding (NNSSF) is to effect redress and equity in school funding with a view to progressively improve the quality of school education, within the framework of greater efficiency in organising and organising and providing educational services (RSA, 1998).

The document also deals with procedures adopted by provincial education departments in determining resource allocation to schools (DoE, 2008:83). The SASA imposes a responsibility on the state in terms of funding public schools. This principle of state funding of public schools is based on the constitutional guarantee of equality, equity and redress and the right to basic education (RSA, 1998:8).

Section 34 of SASA provides that the state must fund public schools from public revenue on an equitable basis, in order to ensure the proper exercise of the rights of learners to education and redressing of past inequalities in education provision (RSA, 1996: 34). With reference to NNSSF, Section 35 of SASA states that the public schools shall be categorised into five quintiles, based on asset of criteria ranging from quintile 1 being the poorest to quintile 5 being the least poor public school. The quintiles were categorised based on the rates of income, unemployment and illiteracy within the school's catchment area (Corruption Watch, 2012).

#### *2.7.2.5 Public Finance Management Act 1 of 1999*

All the public funds including the school funds are regulated by the Public Finance Management Act 1 of 1999 (PFMA) and should be managed accordingly. The purpose of the PFMA is to ensure that all statutory bodies perform their functions within their

budgets. Secondly another purpose of this Act is to ensure that there are no deficit balances, while overdrafts and loans are limited as far as possible (DoE, 2008:82). The Act lays out the guidelines on how public finances must be managed in all spheres of government. Further, this Act stipulates that the accounting officer for a department, trading entity or constitutional institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control (RSA, 1999:19). This implies that schools must have sound financial management systems, which will enable effective financial management to be achieved.

The accounting officer for the department is the HoD. Furthermore, the Public Finance Management Act allows the HoD to instruct and approve in writing that a person other than himself/herself be appointed as the accounting officer of that applicable institution. The implications of this provision for schools is for principals to have a full mandate and responsibility of the budgets voted for their schools, they must be appointed in writing as accounting officers of their institutions. The principal as the accounting officer has the ultimate responsibility for the establishment of efficient financial management systems in schools. Due to the responsibility bestowed upon them as the accounting officers, the principals are key role players in the management of school finances. However, the overall management of the school's finances is the primary function of the SGBs (RSA: 1996, Section 37 (1)).

Block, Hirt and Danielsen (2009:2) state that financial management takes place within the context of economic activity, as well as within a structure of social and ethical constraints. This means that the institutionalisation of financial management systems in organisations including schools must meet the public standards of ethical and social responsibility. This requirement can be met by adopting policies that maximise value and offer optimum benefits to the community, which in turn will create an invaluable reputation of the organisation (Makrweide, 2012:14). Any financial management system employed by the schools must meet the relevant provisions of the PFMA 1 of 1999.

## **2.8 GLOBAL TRENDS ON FINANCIAL MANAGEMENT IN SCHOOLS**

Financial management was a priority in the education system of countries like USA, England and New Zealand. The DoE & Early Childhood Development [ECD] (2011), state that effective financial management requires effective budgeting and long-term planning. Financial management is a responsibility of school councils or school boards.

The Department of Education & Training (2016) shows that in the USA, school councils are accountable for all monies under their control. Secondly they are responsible for preparing appropriate statements of financial transactions. The Education and Training Reform Act 2007(Section 36 (1)) stipulates that school councils must ensure that finances are kept in the form determined by the secretary, inclusive of proper accounts and records of the transactions and affairs of the school council and any other records necessary to sufficiently explain the financial operations and financial position of the school. The DoE and ECD (2011:13) outline that the school council has the responsibilities to ensure that proper accounts and proper records of financial operations and financial position are kept. School councils are also responsible for the establishment and maintenance of an internal audit control system that will promote efficiency and ensure adherence to prescribed DoE and ECD and school policy. All Victorian government school councils undergo an independent financial audit at least once in every three years.

In England, the Educational Reform Act (ERA) was passed (Soga, 2004). The legislation was enacted to push financial management to government boards that are predominantly composed of parents and trustees. The trustees are members of the governing body and comprise a principal, elected parents, community members, teaching staff and support staff members and in some cases students. This body determines how monies will be spent and make decisions on the appointment of personnel and the buying of equipment for the school (Williams, Harold, Robertson & South-worth, 1997: 627).

In New Zealand, since the decentralisation of educational administration to school level in 1989, school boards have legal responsibility for creating their own budgets and managing finances. Collective board members are the trustees for the school's financial and physical resources. School boards are fully accountable and responsible for the: allocation of funds to reflect school priorities; control of school expenditure preparation and auditing of annual reports (Wylie & King, 2004). Management of school funds is similar to that in South Africa in the USA, England and New Zealand. Financial management is decentralised to schools and is a responsibility of parents who are board members or school councils.

## **2.9 FINANCIAL MANAGEMENT CHALLENGES IN SOUTH AFRICAN SCHOOLS**

The enactment of SASA gave SGBs legal responsibility to manage school finances. The SGBs experienced difficulties in pursuing their roles and responsibilities. The challenges faced by SGBs are mainly; lack of understanding and interpretation of SASA, lack of understanding of roles and responsibilities, lack of understanding of the legal framework and lack of transparency and accountability.

### **2.9.1 Lack of understanding and interpretation of SASA**

In spite of all the authority and powers vested upon the SGBs to manage resources allocated to schools, the SGBs are failing to manage effectively (Mashele, 2009; Mahlangu, 2004; Xaba, 2011). One of the key aspects of the management of resources is financial management. Effective financial management in schools requires specialised skills and knowledge. There are a number of gaps when it comes to financial management, despite intervention by the government at provincial and district level to capacitate the SGBs. Research conducted reveals that poor interpretation and inappropriate implementation of the SASA posed problems among principals and SGBs (Mncube, 2007; Naidoo, 2010; Waghid, 2003). Mestry (2004:126) concurs that lack of understanding of the SASA leads to misinterpretation of this policy. This may ultimately

result in schools being victims of mismanagement or misappropriation, manifesting in the form of embezzlement, fraud and theft. Furthermore, Mestry (2004) argues that there is a misconception among parents, educators and even principals that the principal is an accounting officer of the school, therefore, he/she is accountable to the parents and the provincial DoE regarding school finances.

### **2.9.2 Lack of understanding of roles and responsibilities**

According to Mestry (2004:127), the DoE has no mechanisms in place to support schools on financial issues and problems. In many schools, principals have the burden of taking on most of the financial functions assigned to their respective SGBs (Mestry, 2004; Naidu, 2003: 4) point out that majority of the elected members of the SGB are not clear on their respective roles and responsibilities. This is indicated by the fact that they are not familiar with the ethos of education, they lack participation skills and do not know how to contribute gainfully to school activities. Role ambiguity by SGBs is a salient factor that is critical in the management of school finance. Joubert (2011) concurs by assigning challenges of SGB to accountability, lack of shared vision, the composition and structure of SGBs and lack of clearly defined goals.

There is a misuse of power by school principals who have decisive influence by virtue of their position of authority (Waghid, 2003). Consequently, Van Wyk (2007:135) claims that school principals use their professional power to influence SGBs, hence treasurers, who are parents simply sign cheques and do not work according to the budget. Mestry (2004) reveals that there is a lack of competency in budgeting among SGBs. Shillote (2000:4) reiterates that although the DoE has tried to run training programmes for SGBs, the process appears to have been ineffective. The reasons behind this are as follows:

- The SGBs are still not sure of their respective roles and responsibilities in managing school finances.

- They are still domesticated.
- They are failing to disseminate information from the meetings to their constituencies.
- They do not consult sufficiently with the entire community.

### **2.9.3 Lack of understanding of legal framework**

Rangongo, Mohlakwana and Beckmann (2016) reported serious incidents of mismanagement of funds and flouting of the legislative framework by SGBs in South African public schools. These include finance committees not having been established; no minutes, including financial decisions not certified by the chairperson or secretary as true reflection of proceedings; non-compliance regarding the preparation of monthly financial and performance reports as required by Provincial Financial Management Prescripts of 2009/2011. Another serious mismanagement incident includes submission of incomplete financial statements; no approval of budgets by parents; inadequate maintenance of financial records; poor cash management and recording; expenditure incurred not approved; inadequate procurement practices; and failure of some schools to submit their financial books for auditing.

### **2.9.4 Lack of transparency and accountability**

Rangongo et al. (2016) further reported that DoE in Gauteng listed some weaknesses identified at some public schools as a result of lack of transparency and accountability for expenditure. These relate to the use of state funds in Section 21 of schools. The weaknesses identified include among others, lack of control over cash receipts; challenges with receipt issuing and the banking of cash; lack of control over authorisation of payments; wrong requisitions; poor document control as result of inadequate filing systems and safekeeping documents; budgets and financial statements that do not comply with policy requirements and inadequate monitoring of actual budget against budgeted expenditure. The Public Service Commission (RSA,



2011) also found a number of cases involving mismanagement of funds at public school level by public officials, including principal and teachers. These irregular activities include among others lack of internal audit control processes; disciplinary hearings for financial mismanagement cases are not promptly held when necessary; lack of openness and transparency in procedures and decision-making; unaudited financial statements; receipts not issued for school fees received and lack of proper bookkeeping.

### **2.9.5 Financial management training in the school context**

According to Mestry (2004:129), management of school's finances is an integral part of effective school management. Therefore, training in financial management is fundamental to preparing and equipping school managers and SGBs with financial skills and competencies. Such financial skills will enable them to be responsible and accountable for funds that have been received for specific school objectives. This will empower school managers and SGBs with skills and competencies that would enable them to make a contribution towards the improvement of the overall productivity of the school. According to Nong (2007:2), the transformation of the education system includes inter alia, stakeholders such as parents, educators, learners and community. All these people should participate in the governance and management of school activities. In support of this view, Squelch (2000:143) points out that role players should master a number of skills, if they are to fulfil their tasks successfully. These include problem-solving, conflict resolution skills, time management, change management and financial planning.

In order to address skills deficiency, Section 19(1) of SASA stipulates that out of funds appropriated for this purpose by provincial legislature, the HoD must establish a programme to provide introductory training to newly-elected governing bodies, to enable them to perform their functions. Furthermore, the HoD must provide continuing training to governing bodies to promote effective performance of their functions, or to enable

them to perform additional functions. The ability of parent governors to govern schools depends on their skills, knowledge and experience of governance, including financial skills. Moreover, governors require training in participatory decision-making. However, neither parents nor educators have had much experience of participatory decision-making, since in the past, principals were considered to be the only people with the knowledge and authority to make decisions (Heystek & Paquette, 1999:191). These abilities required by governors are determined, among other things, by educational background, especially literacy level of governors (Bush & Heystek, 2003:1; Heystek, 2006:478).

Poorly-educated parents lack management expertise and may struggle to interpret the content of SASA (Heystek, 2006:482). This impacts on their relationship with other members of the SGB, particularly the principal and also on their understanding of their tasks (Heystek, 2004:431). Therefore, training and development remain a priority for the successful functioning of SGBs. It is therefore the state's responsibility in partnership with other stakeholders, to develop the capacity for governing bodies. This will ensure that SGBs perform their duties and responsibilities effectively and efficiently (Marishane 1999:59). Adams and Waghid (2005:25) further argue that training for school governors must be seen in terms of both introductory training for newly-elected governing body members (i.e. every three years) to enable them to perform their functions. There should be a continuous training for governing bodies, to promote the effective performance of their functions or to enable them to assume additional functions.

Mestry (2004:129) proposes that training in financial management should be practice-based and the following sections should be covered in the training session:

- Firstly, legal framework that underpins financial school management.
- Secondly, funding of schools which includes state funding and school's contributions.
- Thirdly, financial planning and this includes budgeting, financial organisation.

- Fourthly, financial control and school's information systems.

Training will assist SGBs to formulate a school budget which reflects the school's prioritised educational objectives. Effective training will enable the SGBs to develop sound internal financial control systems to ensure the reliability and accuracy of financial transactions. According to Mashele (2009:63), the school funds should be utilised for educational purposes that promote the provision of quality education. Mashele (2009) further points out that without empowerment on financial management, schools will be in disrepair and many schools will be forced to close down, because the environment might not be conducive for the provision of quality education.

In striving to empower the SGBs in financial management, (Mahlangu, 2008:50) suggests that capacity training can be provided to governors or SGBs of public schools, so that they can perform their duties confidently. The focus of training should be on developing transferable skills. The training should be continuous and improve the performance of SGBs to promote effective governance. Xaba (2011: 211) suggests that training based on situational factors and related to the capacity needs of the school will be effective and beneficial. In support of this view, Naidoo (2010) suggests that multiple-capacity building programmes that consider developmental needs and the perspectives of all participants in governance are needed. Such programmes are needed to sustain parental and community involvement. Appropriate education and training will empower SGBs to effectively participate in decision-making, hence take up their roles with confidence.

Effective financial management training will bring a significant change in the education sector, especially in rural areas. The effects of training will be visible when the SGBs demonstrate capability to effectively oversee the management of resources allocated to the school. This would be more relevant, especially school funds which constitute the backbone in the achievement of quality education. Collaboration, monitoring and support by the district office will enhance the effectiveness of training. Accountability

and participation in decision-making are strong elements that will strengthen financial management at school level. A good relationship between a principal and the SGB is likely to enhance sound decision-making process. Hence, responsible financial management at school level will thereby improve school governance and quality education.

## **2.10 CHAPTER SUMMARY**

This chapter discussed school governance and management environment. The chapter also focused on the effectiveness of financial management in South African public schools. The school management internationally and in South Africa was examined. Furthermore, the school environment in South Africa prior and after 1994 was compared. The roles and responsibilities of SGBs and capacity building of SGBs were discussed.

The legislative framework and policies regulating the management of school finances were examined. The global trends on financial management were discussed. Lastly, financial management training and challenges faced by SGBs in managing school finances were broadly discussed. In the next chapter, research methodology shall be discussed.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 INTRODUCTION**

This chapter discusses the research philosophy and research design that was used to answer the research questions of this study. A detailed discussion of the target population and units of analysis are parts of the sections in this chapter. The chapter further discusses the sampling technique applied and the data collection instrument used. Mechanisms for recording interviews were also discussed. Furthermore, the issues of trustworthiness, credibility, transferability, confirmability and dependability were explored. This chapter concludes by discussing ethical considerations that are relevant and the problems encountered.

### **3.2 RESEARCH PARADIGM**

According to TerreBlanche and Durrheim (1999), the research process has three major dimensions: ontology, epistemology and methodology. According to TerreBlanche and Durrheim (1999) a research paradigm is an all-encompassing system of interrelated practice and thinking that define the nature of enquiry along these three dimensions. Kuhn (1962), views a research paradigm as the set of common beliefs and agreements shared between scientists about how problems should be understood and addressed. In the same vein, Bryman (2012: 630) propose that a paradigm is a cluster of beliefs and dictates which for scientists in a particular discipline influence what should be studied, how research should be done and how results should be interpreted. McNiff (2006) views a paradigm as a collection of theories that are situated in a specific situation and are identified as the positivist (empirical), post-positivist, interpretivist or constructivist and critical theory. Concisely, a paradigm distinguishes between the views of knowledge and how this knowledge can be acquired and generated (McNiff, 2006).

Lincoln and Guba (1985) view a paradigm as a framework for identifying, explaining and solving problems, understanding and interpreting the world and all one's experience. Denzin and Lincoln (1994) regard a paradigm in qualitative research as a philosophical stance taken by the researcher that provides a basic set of beliefs that guides action. In a similar view, Babbie (2001:42) describes qualitative paradigm as the fundamental model or frame of reference we use to organise our observations and reasoning.

According to Mouton (1996: 204) a paradigm represents a collection of mutually accepted achievements (including the theories, exemplary solutions, predictions and laws) in this sense a paradigm is primarily a model for conducting normal research. Paradigms can be characterised according to ontology (what is reality?), epistemology (deals with the nature of knowledge and the different ways of knowing) and methodology (the procedure we can use to acquire knowledge). Bryman (2012), Du Plooy et al. (2014) and Guba (1990) classified 3 dominant research traditions namely; positivism, interpretivism and critical realism.

### **3.2.1 Positivism**

Positivism is concerned with uncovering truth and presenting it by empirical means (Henning, Van Rensburg & Smit, 2004:17). According to Du Plooy et al. (2014), the positivism tries to discover causal relationship in order to predict and control events. Positivism stands for objectivity, measurability, predictability, controllability and constructs laws and rules of human behavior (Dash, 2005). Kuhn (1962) proposes that the positivist focus on experimental and quantitative methods. In congruence, positivism which emphasises objectivist approach to studying social phenomena gives importance to research methods focusing on quantitative analysis, surveys, experiments and the like (Dash, 2005). Although positivistic paradigm continued to influence educational research for a long time in the latter half of the twentieth century, it was criticized due to its lack of regard for the subjective states of individuals. It regards human behaviour as

passive, controlled and determined by external environment. Hence human beings are dehumanized without their intention, individualism and freedom taken into account in viewing and interpreting social reality. According to the critics of this paradigm, objectivity needs to be replaced by subjectivity in the process of scientific inquiry. This gave rise to anti-positivism or naturalistic inquiry (Dash, 2005).

### **3.2.2 Interpretivism**

The interpretive paradigm is also called the phenomenological approach. This is an approach that aims to understand people (Babbie & Mouton, 2008:28). According to Du Plooy et al. (2014), the primary reason for research in interpretivism is to understand and describe meaningful social action and experiences. The purpose of research in interpretivism is understanding and interpreting everyday happenings (events), experiences and social structures as well as the values people attach to these phenomena (Collis & Hussey, 2009:56-57; Rubin & Babbie, 2010:37). Non-positivism essentially emphasises understanding and interpretation of phenomena and making meaning out of this process (Dash, 2005).

According to Deetz (1996), interpretivism attempts to understand phenomena through the meanings that people assign to them. G According to Willis (1995) interpretivists are anti-foundationalists, who believe there is no single correct route or particular method to knowledge. Dash (2005), concurs that anti-positivism which stresses on subjectivist approach to studying social phenomena attaches importance to a range of research techniques focusing on qualitative analysis, e.g. personal interviews, participant observations, account of individuals, personal constructs etc. Walsham (1993) argues that in the interpretive tradition there are no 'correct' or 'incorrect' theories. Instead, they should be judged according to how 'interesting' they are to the researcher as well as those involved in the same areas.

### **3.2.3 Critical Realism**

Critical realism holds that real structures exist independent of human consciousness, a view similar to positivists, who believe that a single objective reality exists. The critical realist propose that our knowledge of reality is a result of social conditioning. In other words they support the view that knowledge is a social construct, which is similar to the interpretivists belief (Saunders, Lewis & Thornhill, 2007). According to Du Plooy et al. (2014) critical realists maintain that researchers have a responsibility to transform social relations by exposing, critiquing and changing any unjust practices in society. The main aim of this research is therefore by exposing myths to transform society and free people from all forms of oppression and to empower people build a better world for themselves in the process.

In this study, an interpretive paradigm was used to explore the effect of financial management training on task performance of SGBs in managing school finances. Qualitative research is interpretive and useful for describing and answering questions about participants and context (Gay & Airasian, 2003:163). The researcher employed interpretive paradigm as the study followed qualitative case study approach to explore effects of financial management training on selected SGBs. Because of flexibility the researcher is able to offer multiple explanations and descriptions for people's actions and ways of living in a subjective reality (Cohen, Manion & Morrison, 2007)

### **3.3 RESEARCH APPROACH**

According to Creswell (2013:3) research approaches are plans and procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis and interpretation. Creswell (2013: 43) defines qualitative research as a situated activity that locates the observer in the world. Qualitative research consists of a set of interpretive material practices that make the world visible. According to Leedy and Ormrod (2013:139), qualitative research focuses on phenomena that occur in



natural settings. It further involves capturing and studying the complexity of those phenomena. Creswell (2013:45) shares the same view that qualitative researchers often collect data at the site where participants experience the issue or problem under study. Bloomberg and Volpe (2012:30) equally view qualitative research as typically enacted in naturalistic settings, focuses on context and is emergent and evolving. In order to achieve the aims of the study, qualitative research approach was used to investigate the effect of financial management training on task performance of SGBs in selected schools. The qualitative research approach was chosen because it promotes a deep understanding of a social setting or activity, as viewed from the perspective of research participants (Bloomberg & Volpe, 2012:27).

Researchers like Blanche, Durrheim and Painter (2006:47) and Hennink, Hutter and Bailey (2011:9) share similar views that qualitative researchers seek to study phenomena in their natural settings. Qualitative researchers further attempt to make sense or interpret phenomena in terms of meanings brought by people. The researcher used experiences and feelings of members of SGBs to get a deep understanding of the effect of training offered, to capacitate them in the management of school finances.

There are four approaches that are widely used in conducting research and they are mixed research methods, participatory action research, and quantitative and qualitative research approach. These approaches are briefly discussed in this section.

### **3.3.1 Mixed-research methods**

Mixed research methods are a collection or analysis of both quantitative and qualitative data in a single study. The data collected concurrently or sequentially are given a priority and involve the integration of the data at one or more stages (Creswell, Clark, Gutman & Hanson, 2003:212). Leedy and Ormrod (2010) concur that mixed-research methods in addition to collecting, analysing and interpreting qualitative and quantitative data also integrate conclusions from those data into a cohesive whole. Mixed-research

methods according to Tashakkori and Teddie (2009) also use both deductive and inductive logic in a distinctive sequence described as an inductive-deductive cycle. Johnson, Onwuegbuzie and Turner (2007) believe that mixed-research methods are the type of research in which a researcher or team of researchers combine elements of qualitative and quantitative research approaches, for the purpose of corroboration. Tashakkori and Teddie (2009:33) further propose the strengths of mixed-research methods in three areas than a single method, which are as follows:

- 1) Mixed-research methods can simultaneously address a range of confirmatory and exploratory questions with both the qualitative and quantitative approaches and therefore verify and generate the theory in the same study.
- 2) Mixed-research methods provide better inferences, the use of in-depth interviews together with questionnaires in one study yields better inferences as one type of data gives greater depth and the other gives greater breadth; and lastly.
- 3) Mixed-research methods provide the opportunity for a greater assortment of divergent views.

According to Erzberger and Prein (1997), divergent findings are valuable in that they lead to a re-examination of the conceptual frameworks and assumptions underlying each of the two components. Divergent findings may lead to the possible transformation of data types, inference quality audits and design of a new study or phase for further investigation (Tashakkori & Teddie, 2009:35).

### **3.3.2 Participatory action research**

Participatory action research is an approach that focuses on action and research simultaneously in a participative manner (Coghlan & Brannick, 2010). Hennink, Hutter and Bailey (2011) view participatory action research as an approach in which both the researcher and the participants are actively involved in the research study, aiming at social change. Participatory action research focuses on a process of sequential

reflection and action carried out with and by local people rather on them (Cornwall & Jewkes, 2010). According to Gray (2014), participatory action research is transformative in the sense that it is used to address real-world problems, with the researcher becoming actively involved in the research process as a change agent.

### **3.3.3 Quantitative approach**

Quantitative research is an approach used to quantify a research problem, to measure and count issues and then generalise the findings to a broader population. The outcomes of the quantitative research lead to the identification of statistical trends, patterns, averages, frequencies or correlations (Hennink et al., 2011:16). In the same vein, Johnson (2012:3) argues that quantitative research uses numbers to reach a state of knowing. Controlled environments are created to isolate one particular aspect of reality. The questions are stated up front and only data related to the research questions are observed and recorded. A cause and effect paradigm is used to make sense of the world (Johnson, 2012:3). Furthermore, Atkinson and Hammersley (1994: 251) view quantitative research as approach associated with gathering, analysis, interpretation and presentation of numerical information. Quantitative research originated from the positivist position that social research should adopt a scientific method exemplified in the work of modern physicists and that it consists the vigorous testing of hypothesis by means of data that take the form of quantitative measurements.

### **3.3.4 Qualitative approach**

According to Hennink et al. (2011:10) qualitative research seeks to gain a detailed understanding of the behaviour and beliefs, identify processes and understands the context of the people's experiences. Leedy and Ormrod (2001:101) concur that qualitative research is used to answer questions about the complex nature of a phenomenon. This is often with the purpose of describing and understanding the phenomenon from the participants' point of view. Furthermore, qualitative research is an

inquiry in which researchers collect data in face-to-face situation, by interacting with selected persons in their natural settings (McMillan & Schumer, 2006:317).

Qualitative research methods allow researchers to understand meanings that people give to the social phenomenon by entering into the natural world of people whom they study. According to Patton (1989:57), a qualitative data can produce a wealth of knowledge from a restricted number of people. The experiences, opinions, feelings and knowledge of people can be captured by direct questions and quotations. These questions and quotations are not limited and distorted by predetermined and standardised categories.

The researcher is allowed flexibility to explore unanticipated topics of importance as they are discovered. Qualitative research, therefore, involves studying the subjective meanings people attach to their experiences. In the same vein, Schulze (2002:56) states that qualitative researcher typically aims to understand society and the meaning that people attach to their everyday lives. This type of research is used to answer 'Why' questions, to explain and understand issues that describe processes or behaviour (Hennink et al., 2011; Gray, 2014). According to Creswell (1998: 134) qualitative research is about understanding one phenomenon. In this research study, the researcher explores the effect of financial management training on task performance of SGBs in selected public schools in the JS Skenjana Circuit, Dutywa District in the Eastern Cape Province. The functionality of SGBs in managing school finances as stipulated by SASA 84 of 1996 was studied in order to understand the way it was done.

Qualitative research has been selected in this study, because the researcher seeks to obtain a detailed understanding of the experiences of members of the finance committees of the SGBs, on the effectiveness of the training programmes they attended on financial management. The researcher captured the respondents' experiences, opinions, feelings and knowledge about management of school finances in the current study. According to Liamputtong and Ezzy (2005:5) qualitative research emphasises

both the description and understanding of the people. It is essential when the researcher has little knowledge about area of research. The study adopted an interpretive qualitative methodology to examine the task performance of SGBs on managing school finances in order to identify challenges on financial management training and implementation of legislations governing management of school finances.

According to Babbie and Mouton (2001), Valadez and Bamberger (1994), Guba (1990), interpretative qualitative methodology entails getting close to the research subjects in their natural setting in order to describe and understand the world through their eyes. It focuses on the process rather than outcome; the actor's perspective is emphasised and its primary aim is in-depth description and understanding of actions and events. By using interpretative qualitative methods, the study seeks to expose the different views and perceptions of the financial management responsibilities of the school governing bodies. The adoption of interpretative qualitative approach in this study entails using data collection methods to gather information, namely participant interviews, focus group discussions and analysis of financial documents. The central focus of qualitative research is to provide an understanding of social setting or activity as viewed from the perspective of the research participants. As stated by Cohen et al. (2007:415), a qualitative research approach is an approach which attempts to understand human behaviour and the meaning people attach to their settings.

Within the qualitative research study, the researcher is deeply immersed in their natural setting of the phenomena and is therefore able to capture the richness and complexity of the behaviour associated with the phenomena (McMillan and Schumacher, 1993). Within the qualitative research approach, the researcher is able to have a face-to-face interaction with the respondents and in this way, gain in-depth insight into the phenomenon as a whole (Maree, 2007). The qualitative researcher is deeply immersed in the study and observes and interviews the participants in their natural setting (McMillan and Schumacher, 1993).

An essential consideration in qualitative research design is the explorative strategy that is used to understand how humans explore, describe and relate to the phenomena in their natural setting (Gay and Airasian, 2003). In this way, the researcher is able to explore the experiences and challenges of the participants and simultaneously monitor their evaluations to derive context free generalisations (Henning et al., 2004). Therefore, the qualitative researcher is more concerned about the social phenomenon and taking into consideration the participants' perspectives and viewpoints. The qualitative researcher does not intervene in the human behaviour but rather studies the behaviour naturalistically and holistically (Johnson & Christensen, 2012). Qualitative researchers point to "reality that is socially constructed" (Guba & Lincoln, 1994). The qualitative researcher tries to get close to the participant, so that s/he can understand the participants' viewpoints. This is referred to as "empathetic understanding" (Johnson & Christensen, 2012).

Qualitative research methods produce information only on the particular cases studied, and more general conclusions are only hypotheses (informed guesses). In qualitative research, cases can be selected purposefully, according to whether or not they typify certain characteristics or contextual locations. Qualitative data analysis may take a wide variety of forms (Ndou, 2012).

### **3.4 RESEARCH DESIGN**

A research design is a strategic framework for action that serves as a bridge between research questions and the execution or implementation of the research (Blanche et al., 2006). Kumar (2011:94) defines a research design as a procedural plan that is adopted by the researcher to answer questions validly, objectively, accurately and economically. Blanche et al. (2006:34) view research design as a strategic framework for action that serves as a bridge between research questions and the execution or implementation of the research. Kumar (2011:94) further points out that it is through research design that the researcher decides the type of design to implement. The researcher communicates

the plan on how to select respondents, collect information and analyze it and also how the findings will be communicated. The researcher explored the effect of financial management training on task performance of SGBs. The exploratory case study was used as a research design. A case study is an empirical inquiry that investigates a contemporary phenomenon in-depth and within real-life, especially when the boundaries between the phenomenon and context are not clearly evident (Yin, 2009:18). The researcher selected only four schools due to the nature of the study and size of the district (i.e. Dutywa District).

There are five designs in a qualitative research and they are as follows:

- case studies
- phenomenology
- grounded theory
- ethnography
- narrative approach

This research study follows an exploratory case study. The cases in point are the finance committees of SGBs of the four schools in the JS Skenjana circuit in the Dutywa District, Eastern Cape. The researcher explored the central question: Why are SGBs in selected public schools not effective in financial management, in the JS Skenjana Circuit, Dutywa District, in the Eastern Cape?

A case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when boundaries between phenomenon and context are not clearly evident (Yin, 2009:18). According to Gray (2014), case study method is ideal when a 'How' or 'Why' question is being asked about a contemporary set of events over which the researcher has no control. This is done to achieve the objectives of this study, an exploratory case study design was used to gain a deeper

understanding of the effects of financial management training offered to SGBs in the Dutywa District, Eastern Cape Province.

### **3.5 POPULATION**

A population refers to the entire group or items having some common characteristics one wish to understand. The group may be people, objects, or events (Blanche et al., 2006:134). This is a larger pool from which the sampling elements are drawn. Further, population for this study were all the school governing bodies in both the primary and secondary schools in the Dutywa District, Eastern Cape. There are 349 schools in the Dutywa District and all the schools are no fee schools. The schools that were chosen are all 'no-fee schools' and are under Section 21, these schools are from rural areas and their socio-economic background is poor. Hence, they rely on state subsidy for funding.

### **3.6 SAMPLING**

A sample is a set of individuals selected from a population with an intention to represent the population under study (Breakwell, Hammond & Fife-Schaw, 1995: 261). According to Kumar (2011:193) sampling is the process of selecting a few (a sample) from a bigger group (the sampling population) to become the basis for estimating or predicting the prevalence of an unknown piece of information, situation or outcome regarding the bigger group. A good sample is chosen from a sample frame (Bernard, 2013). According to Bernard (2013:130), a sample frame is a list of units of analysis from which the researcher takes a sample and generalises. The sample frame for this study were databases of all 349 schools in the Dutywa District. The researcher was able to access the data bases of all schools in the district as schools were submitting monthly on South African Schools Administration Management System (SASAMS). Due to the large size of the district and the time frame, the researcher decided to select 4 schools as a sample for the study, as it was practically impossible to visit all the schools. The 4



schools were purposefully chosen as they were part of the public schools that were state funded and did not pay school fees. These schools were previously disadvantaged and parents in the SGB were highly illiterate. The schools in the Dutywa District are struggling in managing school funds.

### **3.6.1 Type of sampling technique**

Purposive sampling technique was used to select participants in this study. McMillan and Schumer (1993) argue that purposive sampling is a strategy that chooses small groups or individuals likely to be knowledgeable and informative about the phenomenon of interest. As it is almost impossible to research the entire population, a small group was studied to draw conclusions (De Vos et al., 2000). Leedy and Ormrod (2013:152) concur that purposive sampling is sampling in which people or other units are chosen for a particular purpose. In support of this view, Creswell (2013:156) points that in purposive sampling the inquirer selects individuals and sites for study. This is because they can purposefully inform an understanding of the research problem and central phenomenon in study. Gray (2009:180) also share the same view that in purposive sampling, the informants are identified because they are known to enable the exploration of a particular behaviour or characteristic relevant to the research.

Du Plooy-Cilliers, Davis and Bezuidenhout (2014:142) argue that the advantage of a purposive sampling is that the researcher can ensure that each element of the sample assist with the research. The reason being that each element fits with the population parameters of the study. The selection of cases in this technique happens without the expectation to generalise the findings to the population. Importantly, the researcher needs to look at selecting participants that will meet the actual purpose of the study whilst looking at the cost and time constraints (Johnson & Christensen, 2012). In other words, qualitative researchers endeavour to seek the individuals and settings that enable them to study the phenomena more closely and intently (Saunders, Lewis &

Thornhill, 2000). Furthermore, the sample must be able to provide the necessary information to answer the research questions. In this way, information rich informants and research sites can be identified for this particular research study on the basis of their knowledge, experiences and positions (De Vos et al., 2000:207). Consequently, the researcher took particular care and consideration when choosing the schools and participants for the present research study.

A finance committee was chosen as a sample because of its relevance to the study. The sample for this study comprised twenty-four (24) members of the finance committees in four (4) selected schools. The finance committee is composed of the treasurer as the chairperson, the finance officer (which may be an educator or clerk), the chairperson of the SGB who is an ordinary member in the finance committee, a learner in the secondary school, the principal, parents and co-opted members from the SGB (RSA, 1996). The sample was composed of four (4) school principals, four (4) treasurers, four (4) finance officers, four (4) educators, four (4) parents who are ordinary members in the SGBs and four (4) chairpersons. The study specifically chose the finance committee, because this committee is directly involved in the operational task of the school finance and will assist the researcher regarding financial matters. The finance committee is a sub-committee of the SGBs.

The principal is an accounting officer of the school as well as an ex-officio member of the SGB. The principal's responsibility is to ensure that the finance policy is implemented and that the whole governing body conducts its financial functions by observing all statutory provisions, regulations and departmental instructions. The treasurer chairs the finance committee. His/her responsibilities include ensuring that the budget is managed accordingly and all the procedures and regulations regarding finances are adhered to. The finance officer is responsible for day to day activities related to finance. The chairperson of the governing body is an ordinary member of the finance committee. Four (4) principals, four (4) finance officers and four (4) treasurers were interviewed using in- depth interviews. Additionally, other 12 members of the SGB

were interviewed using focus group discussions, to gain deeper understanding on their roles in managing school finances over a period of four months.

### **3.6.2 Selection of participants**

The selection of participants in this study was based on their role in the finance committee. All participants received training in financial management. The training was funded by the government and conducted by officials of the DoE from Dutywa District.

## **3.7 RESEARCH PROCEDURES**

The researcher selected JS Skenjana circuit in which four (4) schools were sampled. The researcher requested and obtained permission to undertake the study from the DoE, Eastern Cape Province. The researcher also wrote letters to the circuit manager of the JS Skenjana circuit and to the school principals and the chairpersons of the SGBs stating the purpose of the study. All the letters were duplicated for record purposes. After securing permission, the researcher invited the participants to the selected sites to share their views on the phenomenon under investigation. The researcher personally visited all the selected sites and delivered the letters and informed the respondents about the research objectives, how data will be used and the outcomes of the study (Hennink et al., 2011:70).

The participants were given the information sheets that explained the background of the study, its purpose and how the study is being conducted. The researcher read the contents of the information sheet and explained the information to ensure that the participants understood very well the information. Privacy and confidentiality were highly emphasized. The researcher considered saturation of participants by stopping asking questions once the participants stopped giving new information on finance matters (Creswell, 2013:214). Interviews were tape-recorded and data was transcribed and analyzed.

The participants were also given consent forms. The researcher also read and explained the contents of the consent forms. Thereafter, participants were requested to voluntarily sign the consent forms if they were willing to participate in the study. The researcher was available to assist in cases where clarity was needed. Participants were assured that signing of the consent forms was not binding, anyone may decide to withdraw. Then the participants were asked to set dates that were convenient for them to participate in the interviews. Dates were set in November 2015 for the interviews and focus group discussions. Interviews were scheduled to take place in each selected school at the agreed time slot. The focus groups' discussions were scheduled to take place at two different sites. Two (2) schools were grouped together to form the first focus group and this was arranged considering the proximity of the schools. KwaTayi Junior Secondary School and Jongilanga Senior Secondary School formed focus group 1, Colosa Junior Secondary School and Colosa Senior Secondary School formed focus group 2.

### **3.8 DATA COLLECTION METHODS**

In this study, primary data was collected using one-on-one interviews and focus group discussions. Documents were used as secondary data. The researcher engaged four (4) principals, four (4) finance officers and four (4) treasurers and participated on in-depth interviews and other twelve (12) members of the SGB participated in focus groups discussions. The researcher examined financial documents to verify data collected on in-depth interviews and focus group discussions.

#### **3.8.1 Interviews**

This study used interviews as the primary source of data. Interviews were held with school principals, treasurers and finance officers. The purpose of an interview was to understand the lived experience of other people and the meaning they make of that experience (Siedman,2013). Interviews used open-response questions to obtain data

from participants on how they conceive of and give meaning to their world and how they explain events in their lives (McMillan & Schumacher, 1993:432). In support of this view, (Patton, 2002:21) points out that the purpose of gathering responses to open-ended questions is to enable the researcher to understand and capture the viewpoints of other people, without prior selection of questionnaire categories (Patton, 2002:21). Ary, Jacob and Razavieh (2006:480) concur that an interview is a direct one-to-one situation, which involves an interchange of views between two or more people on a topic of mutual respect. Patton (2002:340) further suggests that people are interviewed to find out things researchers cannot observe, such as feelings, thoughts and intentions. Therefore, the purpose of an interview is to elicit information from the participants to get a deeper insight on meaning and experience about a particular phenomenon.

De Vos (2000:299) defines in-depth interviews with individuals as one or more face-to-face interactions between an interviewer and interviewee. The purpose is to understand the interviewee's life experiences or situation as expressed in his or her own words. Furthermore, De Vos (2000) asserts that the advantage of in-depth interviews is that reality can be reconstructed from the world of the interviewee, which enables the researcher to obtain information emerging from the interview. Thus, the rich data collected from principals, finance officers and treasurers through this method is important in understanding the effects of financial management training on task performance of SGBs.

One of the advantages of the one-on-one interview was that the researcher gained information on people's personal experiences, life stories and feelings. One-on-one interviews are useful in sensitive topics. The researcher was able to gain an in-depth information from the participants. Therefore, one-on-one interviews enabled the researcher to get contextual information on reactions to interviewees (Hennink et al., 2011). The advantage of this research tool is that it caters for individuals who cannot express their feelings well in group settings.

One of the challenges of the one-on-one interview is that the researcher needs specialised skills to establish rapport, use motivational probes, listen and react to interviewees (Hennink et al., 2011). The researcher gained skills through workshops and extensively reading books related to how the one-on-one interviews are conducted.

The researcher visited sampled schools to interview school principals, treasurers and finance officers. The interviews in this study were facilitated by means of an interview guide with a list of questions to be covered. Additional questions were asked, including some which were not anticipated (i.e. follow-up questions) at the start of the interview as new issues arose. For this study, twelve (12) participants were selected to participate in the one-on-one interview. These were four (4) principals, four (4) treasurers and four (4) finance officers. The reason for choosing these participants for a one-on-one interview is that the finance officer is responsible for day -to -day operations of the finances. The treasurer is responsible for the signing of cheques. The principal is responsible for signing requisitions and giving financial reports to both the parents and the circuit manager. Further, the principal is the accounting officer at the school, as the leader, he/she needs to ensure proper implementation of the policies.

#### *3.8.1.1 Guidelines in developing interview guide*

Bryman (2012) proposed some basic elements in preparing the interview guide.

- Create a certain amount of order on the topic areas, so that your questions about them flow reasonably well, but be prepared to alter the order of questions during the actual interview
- Formulate interview questions or topics in a way that will help you to answer your research
- Try to use a language that is comprehensive and relevant to the people you are interviewing
- Just as in interviewing in quantitative research, do not ask leading questions

- Remember to ensure that you ask or record ‘facesheet’ information of a general kind (name, age, gender, etc.) and a specific kind (position in company, number of years employed, number of years involved in a group), because such information is useful for contextualising people’s answers.

The researcher employed the proposals by Bryman where the focus was on roles and responsibilities of SGBs, legal frame work governing school finances, challenges facing SGBs on financial management after training, correct procedures and guidelines in the utilisation were followed and lastly whether training improved financial management. The interviews were conducted in isiXhosa which is the home language for the SGBs except for principals. The interview guide provided a category which required profile of the participants.

#### 3.8.1.2 *Recording interviews*

According to Bryman (2012) qualitative researchers are frequently interested not just in what people say but also in the way that they say it. Therefore, it is important to record and transcribe interviews. Heritage (1984: 238) suggests that the procedure for recording and transcribing interviews has the following advantages:

- It helps to correct the natural limitations of our memories and other intuitive glosses that we might place on what people say in interviews
- It allows more thorough examination of what people say
- It permits repeated examination of the interviewees’ answers
- It opens up the data to public scrutiny by other researchers, who can evaluate the analysis that is carried out by the original researcher of the data (i.e. secondary analysis)
- It therefore helps to encounter accusations that an analysis might have been influenced by a researcher’s values or biases

- It allows the data to be reused in other ways from those intended by the original researcher

#### *3.8.1.3 Audio- recording*

All the interviews and focus group discussions were audio recorded using a recorder in a classroom that was secured and quiet. Recording lasted between 45 minutes and 3 hours.

#### *3.8.1.4 Transcribing*

Transcribing data means copying and converting information into written or visual format so that the information can be analysed using a systematic method (Du Plooy Cilliers et al., 2014: 233). Data was transcribed from all the raw information that have been collected from written and verbal responses of participants during interviews and focus group discussions. The researcher personally transcribed the interviews, re-typing the whole interviews word for word and sought assistance from the translator to assist with translation from isiXhosa to English.

### **3.8.2 Focus groups**

A focus group is an organised discussion among a selected group of individuals with the aim of eliciting information about their views (Gray, 2014). This focus group involves an interactive discussion between six (6) to eight (8) people that are led by a moderator on a specific set of issues (Hennink et al., 2011). In a focus group, data are collected in a group environment, which provides a large volume of information from a variety of perspectives. The challenge of focus group discussions is that confidentiality is not guaranteed, because of the group dynamics. Conflicts may arise in groups that are difficult to manage. However, participants were clearly informed that anonymity and confidentiality are not guaranteed in focus groups, because of the nature of



arrangement of a group. The information is shared among the group which makes it difficult for confidentiality to occur (Longhurst, 2003). Although confidentiality is not guaranteed, all participants were encouraged to treat the proceedings and discussions of the interview as confidential. However, success depended on the skills and experience of the researcher.

In this study, there were two (2) focus groups and each consisting of six (6) members. The participants in the focus groups composed of a chairperson, an educator and a parent in each school. Participating schools were paired per focus group and proximity was used as a criterion to pair them. A central question was asked and probing questions were the same as the questions in the interview guide since the researcher sought to get a broader view of the problem. The researcher aimed to gain a broad range of views on the research topic over a period of 60-90 minutes. The focus group creates an environment where participants feel comfortable to express their views.

### **3.8.3 Secondary documents**

Saunders, Lewis and Thornhill (2000:190) define documents as raw data sources and a storage medium for compiled data. The study analysed the following official documents:

- minutes of SGB meetings
- agendas
- attendance registers
- budget
- finance policies
- financial records
- financial reports
- audited statements

The applicable legislation documents were also analysed. These documents are as follows:

- South African Schools Act 84 of 1996
- Constitution of the Republic South Africa 108 of 1996
- National Norms and Standards for School Funding of 1998
- Public Finance Management Act 1 of 1999

### **3.9 DATA ANALYSIS**

Data collected in this study was analyzed through thematic analysis and document analysis. Hennink et al. (2011:164) state that data analysis emerges as an ongoing and iterative non-linear process. According to Bogdan and Biklen (2003), data analysis entails working with data, organizing, searching for patterns, synthesizing and deriving what is important from it. Hennink et al. (2011:205) propose that data analysis involves a process of immersion in data, through which the researcher can identify and interpret experiences of the participants. Since this is a qualitative study, data was analyzed manually using thematic analysis. Data analysis took place simultaneously with data collection and the writing up of findings (Blanche et al., 2006; Creswell, 2014).

The data collected from this study were organised into patterns subjectively identified in the findings (Leedy & Ormrod, 2010). These patterns were categorised as themes.

Data analysis according to Simons (2009:17), are procedures like coding, categorising and theme generation. These procedures enable one to organise and make sense of the data in order to produce findings and an overall understanding of the case. The analysis involves a constant moving back and forward between the entire data set, the coded extracts of data that one is analysing and the analysis of the data that one is producing (Braun & Clarke, 2006).

### **3.9.1 Thematic analysis**

Thematic analysis is a method for identifying and analysing patterns within qualitative data and is a form of pattern recognition within the data (Gray, 2014: 609). According to Boyatzis (1998), thematic analysis is a method for identifying, analysing and reporting patterns (themes) within data. It minimally organises and describes your data set in rich detail. Thematic analysis is about understanding people's everyday experiences in great detail, to gain an understanding of the phenomenon in question (McLeod, 2001). According to Henning, Van Rensburg and Smith (2004), data analysis in a qualitative research is an ongoing, emerging, iterative and non-linear process. Before the analysis, data was transcribed into a word processing file. The themes derived from the objectives and research questions of the study were analysed manually. Data analysis according to De Vos (1998:333) is a process of bringing order, structure and meaning to the mass of collected data. In a similar view, McMillan and Schumer (2006:364) propose that qualitative analysis is a relatively systematic process of coding, categorising and interpreting data to provide an explanation of a single phenomenon of interest. In the similar view, Silverman (2011:214) points out that thematic analysis tries to find out about participants' lives, through what they say within the focus group.

Silverman (2011) further says that thematic analysis aims to ground interpretation in the particularities of the situation under study and in participants' perspectives. The researcher started analysis by writing notes and thoroughly reading transcripts and dividing into segments. The researcher was able to identify themes that were generated from the interviews. Further, researcher looked for similarities, differences, themes, categories and common ideas. Furthermore, the researcher analyzed each and every emerging theme and compared them with the literature review. The collected data was re-organised, reduced and described according to codes and themes. The results were then consolidated to form an in-depth description of the phenomenon. The researcher looked at the financial documents and analyzed them using document analysis.

There are six (6) phases in using thematic analysis as suggested by Braun and Clarke (2006). The phases are as follows:

- Firstly, familiarisation with the data; the researchers immerse themselves and become intimately familiar with their data; reading and re-reading the data and listening to audio-recorded data at least once, if relevant and noting any initial analytic observations. The researcher familiarised herself with the data by listening repeatedly to the audio-recorded data whilst transcribing.
- Secondly, coding involves generating pithy labels for important features of the data of relevance to the (broad) research question guiding the analysis. The researcher coded every data item and ends this phase by collating all their codes and relevant data extracts. The researcher coded the data with relevance to the research questions.
- Thirdly, searching for themes, a theme is a coherent and meaningful pattern in the data relevant to the research question. Searching for themes is a bit like coding your codes to identify similarity in the data. The researcher started formulating themes based on research objectives and questions. The researcher ended this phase by collating all the coded data relevant to each theme.
- Fourthly, reviewing themes involves checking that the themes 'work' in relation to both the coded extracts and the full data set. The researcher should reflect on whether the themes tell a convincing and compelling story about the data and begin to define the nature of each individual theme and the relationship between the themes. Themes were reviewed to check the correlation between coded data and themes.
- Fifthly, at this stage, the researcher started defining and naming themes after a detailed analysis of data, thereby identifying the 'essence' of each theme and constructing a concise, punchy and informative name for each theme.
- Lastly, phase is writing up. This phase involves weaving together the analytic narrative and vivid data extracts to tell the reader a coherent and persuasive story about the data, and contextualising it in relation to existing literature.

Thematic analysis was chosen as a technique for analysing data because of its flexibility to be used across a range of epistemologies and research questions (Braun & Clarke, 2006). Thematic analysis according to Braun and Clarke (2006) is suited to a wide range of research interests and theoretical perspectives is useful as a 'basic' method because of the following facts:

- Firstly, it works with a wide range of research questions, from those about people's experiences or understandings to those about the representation and construction of particular phenomena in particular contexts.
- Secondly, it can be used to analyse different types of data, from secondary sources such as media to transcripts of focus groups or interviews.
- Thirdly, it works with large or small data-sets.
- Lastly, it can be applied to produce data-driven or theory-driven analyses.

Thematic analysis is an essentialist or realist method, which reports experiences, meanings and the reality of participants. It can be a constructionist method, which examines the ways in which events, realities, meanings, experiences and so on are the effects of a range of discourses operating within society (Braun & Clarke, 2006). Through thematic analysis, the researcher obtained the experiences and feelings of the finance committees of the SGBs regarding the effects of financial management training they attended.

### **3.9.2 Document analysis**

Documents were examined and analyzed to verify data from the interviews. Analysis was made for each document that was examined in each school. The examination and analysis of official financial documents from the selected schools were conducted to verify and clarify data from the interviews. Bowen (2009:27) views document analysis as a systematic procedure for reviewing or evaluating documents, both printed and electronic material. Like other qualitative research, document analysis requires data to

be examined and interpreted to elicit meaning, gain understanding and develop empirical knowledge (Corbin & Strauss, 2008). Document analysis according to McMillan and Schumacher (2001:127) provides first-hand information based on direct experiences with the phenomenon obtained through interviews. Furthermore, Merriam (1998) points out that documents of all types can help to uncover meaning and develop understanding and discover insights relevant to the research problem. In this study, the following documents from sampled participating schools were analysed:

- minutes of SGB meetings.
- agendas.
- attendance registers.
- budget.
- finance policies.
- financial records, financial reports.
- audited statements.

### **3.9.3 Trustworthiness**

Trustworthiness in qualitative research is determined by credibility, transferability, dependability and conformability (Kumar, 2011). Bloomberg and Volpe (2012: 112) view trustworthiness as a way of evaluating qualitative research by focusing on how well the researcher has provided evidence that the descriptions and analysis represent the reality of the situations and persons studied. Lincoln and Guba (1985:331) define “Trustworthiness is when reliability is ensured in the qualitative research.” Credibility, transferability, dependability and confirmability are criteria used to evaluate trustworthiness in a qualitative research (Bloomberg & Volpe, 2012:258; Bryman, 2012; Kumar, 2011 & Du Plooy-Cilliers et al 2014).

### 3.9.3.1 *Credibility*

Du Plooy-Cilliers et al (2014:258) view credibility as the accuracy with which the researcher interpreted the data that was provided by the participants. Bloomberg and Volpe (2012:112) concur that credibility refers to whether the participants' perceptions match up with the researcher's portrayal of them. Credibility refers to the "extent of the results of the qualitative study can be credible and believable" (Du Plooy-Cilliers et al 2007:149). The researcher maintained honesty and accuracy throughout the study to ensure credibility (Henning et al., 2004).

### 3.9.3.2 *Transferability*

Transferability according to Bloomberg and Volpe (2012:113) refers to the fit or match between the research context and other contexts as judged by the reader. Du Plooy-Cilliers et al (2014:258) views transferability as the ability of the findings to be applied to a similar situation and delivering similar results. In the same vein, Trochim and Donnelly (2007:149) refers to transferability to the degree to which the results of qualitative research can be generalized or transferred to other contexts or settings. The researcher provided detailed records of research process so that others can follow and transfer findings to other studies. The findings of this study can be transferred to other schools in similar contexts.

### 3.9.3.3 *Confirmability*

Confirmability according to Du Plooy-Cilliers (2014: 259) refers to how well the data collected support findings and interpretation of the researcher. Trochim and Donnelly (2007:149) views confirmability as the degree to which results could be confirmed or corroborated by others. The researcher throughout the study limited biasness and subjectivity.

#### 3.9.3.4 *Dependability*

Blanche et al (2006: 93) refers to dependability as the degree to which the reader can be convinced that the findings did indeed occur as the researcher says they did. Bloomberg and Volpe (2012: 113) view dependability as to whether one can track the processes and procedures used to collect and interpret the data. The researcher provided a detailed and thorough explanation of how the data were collected and analyzed to ensure dependability.

### **3.10 ETHICAL CONSIDERATIONS**

Research ethics are sets of moral principles or norms used to guide moral choices of behaviour and relationships with others by the researcher during the research process (Blumberg, Cooper & Schindler, 2005). The study received an ethical clearance from the University of South Africa (Unisa), after a thorough assessment of the research process and engagement that the study sought to follow. The researcher also received an approval for permission to conduct the study from the District Director of the Department of Basic Education (DBE) in Dutywa District and the circuit manager of the area. The researcher communicated with principals of the selected schools and conducted meetings with the selected SGBs to inform participants about the study. Subsequently, dates were set for conducting interviews. The conduct of this entire study was guided by all the ethical principles outlined below.

#### **3.10.1 Informed consent**

According to Neuman (2006), informed consent is a procedure in which individuals choose whether or not to participate in an investigation, after being informed of the facts that would be likely influence their decisions. The researcher invited participants in a meeting and informed them about the research, its purpose and the benefits. The researcher read and explained the contents of the consent forms. After that, the participants were asked to sign consent forms voluntarily if they were willing to



participate in the study. Participants were also told that they can withdraw at any time during the research. The letters of consent reflected aims of the study, ethical code of the researcher and the freedom regarding the willingness of participants to participate in the study and their right to withdraw at any time. The dates, venues and time for each interview and focus group discussion were communicated to participants in advance. The researcher tried to build a relationship of trust, fairness, respect, dignity and honesty with the participants (De Vos, 2005:57).

### **3.10.2 Anonymity and confidentiality**

The researcher kept the identity of participants anonymous and all the information collected during the study was treated with confidentiality. The names of the participants were not recorded anywhere and no one would be able to connect the data to participants. Participants were informed about the confidentiality of the interview and that the interview was recorded and the recordings were to be transcribed. The interviews and focus group discussions were conducted in a room designated for the study at the schools. After the interview and focus group discussions, the researcher ensured confidentiality by keeping tape recordings secured, using a security password to open the recorder. The researcher also ensured that no unauthorised person had access to the tape recorder and ensured that all the data records were kept confidential. Since confidentiality is not guaranteed in the focus group, the researcher asked the participants to treat all the information and discussions of the interview with confidentiality.

According to Gibbs (2010:17), maintaining confidentiality means ensuring that particular individuals can never be linked to any data they provide. Gibbs (2010) further states that protecting participants' confidentiality also requires researchers not to disclose personal characteristics that could allow others to guess the identities of people who played a role in research. The researcher ensured that the interview and focus group discussions

were scheduled at a convenient time and place for the participants. The researcher also clarified that the purpose of the research was to complete an academic qualification.

### **3.10.3 Plagiarism**

The researcher ensured that all secondary sources of information used in the study were acknowledged and sources embargoed were not cited or used.

### **3.10.4 Honesty**

Lastly, the researcher ensured that the data obtained and the results derived were not fictitiously fabricated, but a true representation of what was obtained during the research process.

## **3.11 PROBLEMS ENCOUNTERED**

This chapter entails problems encountered during the study. In the first meeting held, the researcher introduced herself and explained the purpose of the study, the SGB members had the following questions:

- What was the information needed for?
- What was the researcher going to do with the information?
- How will they benefit?

The researcher explained that the information is needed for study purposes, it will be sent to the University and will not be disclosed to any institution. The researcher explained that the research will assist the finance committee of the SGB in executing their financial responsibilities. After deliberations and discussions, all the participants showed willingness to participate in the study. The timing of the interview was problematic, because it was November 2015, during examinations, the educators and principals were not available at the scheduled times and therefore, interviews had to be

rescheduled. There was one educator who was an SGB member at Jongilanga Senior Secondary School, who had gone for marking of Grade 12 examinations whom the researcher had to wait until she came back on the 8<sup>th</sup> of December 2015. Another problem was in school C; books were with the circuit manager because the principal was going for an appraisal. The researcher had to come back and look at the documents.

## **CHAPTER 4: PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS**

### **4.1 INTRODUCTION**

This chapter presents, analyses and interprets the results of this study. Data were obtained from interviews, focus group discussions, and from documents related to financial management in schools A, B, C and D at JS Skenjana Circuit, Dutywa District in the Eastern Cape Province.

The study explored the effects of financial management training on task performance of selected SGBs in the Eastern Cape Province and it also attempted to answer the primary question: Why are SGBs in selected public schools not effective in financial management, in the JS Skenjana Circuit, Dutywa District in the Eastern Cape?

In an attempt to answer the above-mentioned primary question, the following sub-questions were pursued.

- To what extent do SGBs understand their roles or functions on financial management after training?
- How do the SGBs understand the legal framework governing school finances after the training?
- What challenges do SGBs experience regarding financial management after training?
- To what extent do SGBs follow the correct procedures and guidelines in the utilisation of school finances after training?
- How did training on financial management improve the effectiveness of SGB?

## 4.2 DATA FROM INTERVIEWS

### 4.2.1 Roles and functions of SGBs in financial management at school

Respondents were asked the following questions during the interview:

- Tell me more about your role as an SGB member.
- Please explain, what is the role and responsibility of SGB in financial management of the school?

In this question, the researcher wanted to find out if members of the finance committee of the SGBs exactly understand their roles and responsibilities and perform their duties in the management of school finances as prescribed by SASA.

#### 4.2.1.1 Responses from school principals

Principal of school A:

*“I still have gaps on roles and responsibilities with regards to financial management. Capacity building is necessary, so that I can be able to assist the finance committee in performing duties confidently”*

Principal of school B:

*“As the accounting officer of the school, I have to ensure that the finance committee manages the school finances according to the legislation. The department of education has a huge role to play in capacitating me so that I can support the finance committee”.*

Principal of school C:

*“I have to give support and mentor the finance committee so that school funds are managed properly. I need monitoring and support from the district office so that I acquire more skills to assist the entire SGB”.*

Principal of school D:

*“Monitoring, evaluation and support by the department is the solution to the crisis we are facing in managing school finances. An ongoing training will assist and improve management of school finances”.*

All interviewed principals reported a dire need to be capacitated further by the DoE in order to monitor and give support to their school’s SGBs on the management of school finances. The principals represent the DoE and are ex-officio members of the SGB according to SASA. The principals are also accounting officers in schools. Therefore, it is quite necessary for principals to be capacitated to lead, support and offer proper guidance and direction to the SGBs. In spite of training offered to SGBs, principals are still experiencing gaps in fulfilling their roles in the management of school finances. They (i.e. principals) echoed that they need more support from the DoE to adequately perform their duties. The principals are not sure of their roles and responsibilities, due to inadequate training.

#### *4.2.1.2 Responses from finance officers*

Finance officer from school A:

*“My primary role as a finance officer is to control the flow of funds in the school although this is tedious as I have my own class to take care of. I am not happy about this situation as teaching and learning is compromised in many instances. The Principal and SGB should find someone else to do the job I cannot carry the load”.*

Finance officer from school B:

*“My primary role is day to day management of school finances, recording all the income and expenditure in the journal and finally prepare monthly financial report”.*

Finance officer from school C:

*“I received introductory training only and as such, I am unable to prepare financial records properly. The department must conduct training regularly to improve skills and knowledge in managing finances. I solely depend on the assistance from the principal”.*

Finance officer from school D:

*“I control and manage all the finance documents and prepare finance report without proper guidance and support. Capacity building and training on financial management skills will assist in performing my duties better”.*

It appears that finance officer in school A is an educator and is experiencing work overload which is constraining the discharge of his/her functions in managing school finances. Consequently, it appears as if the financial management role is compromised as the finance officer spends most of the time in class. Therefore, the SGB has to appoint an administrative clerk who will take care of school finances. In school B, the finance officer seems to understand her role though there is no monitoring. In school C and D, finance officers are administrative clerks, the finance officers seemed to be confused and showing signs of incompetence, they seemed not to understand their roles.

The finance officers are responsible for the proper recording of the school income and expenditure. Record keeping is important, since it helps to verify financial transactions and reconciliation. It is evident that the training received by finance officers was inadequate, as they echoed in their responses. Inadequacies are caused by improper training on financial management as finance officer in school C cited that training received was introductory. The lack of proper guidance and support are other contributing factors.

#### 4.2.1.3 Responses from treasurers

Treasurer from school A:

*“As a treasurer, the principal calls a meeting to inform the SGB whenever there is money received so that we can discuss and make inputs. Although my duty is to sign cheques, I think it is not clearly stated how far I go in executing my duties”.*

Treasurer from school B:

*“I am aware of the processes and procedures that take place before signing of cheques. My greatest challenge is short notice that I am given to sign a cheque and as such, I sometimes sign cheques in rush without ensuring that all processes have been followed correctly”.*

Treasurer from school C:

*“I am not informed in good time about coming to school to sign cheques. I am just called to sign in the cheques within a short notice. There is an urgent need for the Department of Education to capacitate SGBs on the roles and responsibilities”.*

Treasurer from school D:

*“There is a lack of transparency and openness from the principal. I think more clarity is needed because at times I just sign without seeing documents informing how procurement was done. Training is needed to define clear roles and responsibilities”.*

From the interviews, it appears that the only responsibility the treasurers know is to refuse to sign a blank cheque. The treasurer is responsible for oversight of financial expenditure. Further, the treasurer has to understand all the spending procedures of funds and ensure that documents have been signed accordingly. Treasurers are parents in the SGB and mostly are illiterate. Usually, they (i.e. treasures) do not understand the terminology and procedures on spending. Seemingly, principals are taking advantage of them to process the payments by endorsing their signatures.



Ideally, at least two days' notice should be given to the treasurer to come and sign the cheques with all the paperwork available. Actually, treasurers are the gatekeepers of the school budget. They need to ensure that funds are spent according to the budget, before signing cheques. Hence, they need to ensure that procurement procedures are followed properly. Training does not properly empower treasurers to understand and perform their roles properly and efficiently.

#### *4.2.1.4 Responses from focus groups*

The focus group consisted of the SGB chairperson, the educator and the parent of each school.

##### *Focus group 1*

*“Our role as the SGB is to ensure that teaching and learning take place and all the required resources are available to achieve quality teaching and learning, to monitor whether school funds are spent according to the budget. Our primary responsibility is to see that school funds are not misused and proper procedures and guidelines on managing school finances are being followed accordingly”.*

##### *Focus group 2*

*“Our role is to monitor how funds are spent and ensure that funds are spent according to budget. We are responsible for giving support to the finance committee but that support is not effective as we lack necessary skills to perform duties effectively and efficiently”.*

Members of the focus groups seemed to be aware of the roles, but they lack necessary skills and knowledge to support the finance committee. From the interviews, it appears that there is a dire need for capacity building for the SGBs, to effectively manage school finances. Results from the focus group show that training failed to capacitate the SGBs to support the finance committee.

## 4.2.2 Understanding the legal framework regulating school finances

The following questions were asked to respondents:

- Briefly explain how the school prepares a school budget and what is the role of SGB in preparing the school budget?
- How is the budget communicated and explained to other stakeholders?

The researcher was interested to establish if members of the SGB and the finance committee understand the rules and procedures stipulated in SASA 84 of 1996, PFMA 1 of 1999, Constitution of South Africa and National Norms and Standards on School Funding regarding management and control of school finances, with specific emphasis on the budgeting process and utilisation of budget according to the set goals.

### 4.2.2.1 Responses from the principals

Principal from school A:

*“I need more clarity on legislation regulating school finances, for example, the Constitution, the Finance Management Act 1 of 1999, National Norms and Standards for School Funding”.*

Principal of school B:

*“The finance committee prepares the budget and I provide guidance to ensure that the budget formulation is aligned to set goals. Thereafter the budget is presented to parents in parents meeting for approval. There is a great challenge in interpreting the contents of the Constitution and Public Finance Management Act 1 of 1999 with regards to management of school finances”.*

Principal from school C:

*“According to SASA, I am the accounting officer of the school, therefore, I have a right to prepare the budget because the parents in the SGB do not make any inputs on budget meetings. Also, the Public Finance Management Act is not clear on how school finances should be managed”.*

Principal from school D:

*“The legal framework for the management of finances is still a challenge since there is no clear explanation and interpretation that is done by officials. The parents do not participate in budget meetings and formulation of the finance policy; therefore, I prepare the budget with the finance officer”.*

Budgeting was done unilaterally by principals in school C and D, who seem to have financial deficits and stakeholders were not involved. This is a serious concern which the DoE must consider urgently. The principals in school A, C and D did not understand the legal framework regulating the management of school finances. This was due to a lack of explanation and guidance by the DoE. Principals are unable to apply legislation correctly, due to insufficient knowledge and poor interpretation of the regulations. Although the principal in school B seemed to have an understanding of regulatory framework, more support is still needed. Through more support, principals will acquire more knowledge and skills on the interpretation and implementation of regulations and policies. Training is therefore insufficient to empower principals to interpret and implement legislation. The legislative documents were not available in some schools, which made it more difficult to understand legal parameters.

#### *4.2.2.2 Responses from finance officers*

Finance officer from school A:

*“I don’t think legislation on management of finances is clearly understood, the principal does not adhere to the legislative framework. The principal does not involve the finance committee during budgeting process”.*

Finance officer from school B:

*“Budgeting process is transparent; all stakeholders are involved and participate. There is grey area on the interpretation of the legislative framework. The Department of Education must have sessions to clarify the legislation and policies on financial management”.*

Finance officer from school C:

*“The only legislation I know regulating school finances is SASA but its interpretation and implementation is a challenge. The principal is transgressing SASA as the budget is prepared without involvement of the SGB”.*

Finance officer from school D:

*“The only legislation I know is the South African Schools Act 84 of 1996. I don’t know any other legislation applicable to management of school finances. The principal calls the SGB meeting just to inform about the budget that has been prepared. The parents are just informed for compliance purposes”.*

The results showed that finance officers have little knowledge on legal framework and as a result, the principals take advantage of that and make unilateral decisions in drafting the school budget. Consultation of stakeholders is ignored.

#### **4.2.2.3 Responses from the treasurers**

Treasurer from school A:

*“Meetings are democratic and we are engaged in the budgeting process although as parents we do not make any inputs. The challenge as parents is a lack of necessary knowledge on SASA, Constitution of the Republic of South Africa, PFMA and NNSSF”.*

Treasurer from school B:

*“I would be happy if the department can organize training to unpack all the legislation that regulates school finances. I was told about SASA only. As a treasurer I am a gate keeper of the school budget and therefore the principal is transparent and involves all the stakeholders. Budget is presented in a parents meeting for approval”.*

Treasurer from school C:

*“As for parents, we are just rubber-stamping decisions taken unconstitutionally. Serious intervention by the department is urgently needed to rescue our schools by educating us on legislative framework. As the SGB we are just told of decisions taken on budgeting there is no transparency”.*

Treasurer from school D:

*“We are unable to monitor and control records of funds due to lack of knowledge on legislation, the principal does not bother to explain how the regulations work. As the SGB we are just told what to do and simply append signatures”.*

The treasurers don't have necessary skills and knowledge to participate actively in the budgeting process. The responses from the treasurers echoed lack of capacity regarding legal framework on school finances. As a result of that situation, they would do as told by the principals without questioning. Lack of understanding of legal framework is a serious concern, hence the training offered for this weak point overlooks this aspect.

#### 4.2.2.4 Responses from focus groups

Focus group 1:

*“Budgeting is done by the principal due to lack of necessary knowledge and skills on our side as SGB. The only document we heard about is SASA but we do not know exactly the procedures and guidelines underlying management of school finances. We solely depend on the principal”.*

Focus group 2:

*“The legislation we know is SASA and we have difficulties in the interpretation and implementation as we do not understand the language in this document”.*

The members of the focus group reported a lack of understanding of the legislative framework, due to low level of education. This is detrimental when supporting the finance committee on matters regarding the management of school finances. Training offered did not equip SGBs with the necessary knowledge to be able to interpret and implement legislation on school finances. Hence this resulted in the failure of some SGBs to take the requisite decisions.

### 4.2.3 Understanding the management of financial records

The following question was asked to respondents:

- What control management systems do you have in place?

#### 4.2.3.1 Responses from principals

Principal from school A:

*“My duty is to supervise the finance officer and advise where it is necessary. We always meet with the finance officer every fortnight to check the financial records”.*

Principal from school B:

*“All the income and expenditure is recorded in the cash journal by the finance officer. My responsibility is to monitor if the journal is properly managed”.*

Principal from school C:

*“The control and management of financial records are delegated to the finance officer. I do not have time and skills to monitor the books”.*

Principal from school D:

*“All the functions of record keeping and management are delegated to the finance officer. The finance officer takes care of financial records. My financial skills are lacking and therefore I cannot properly monitor the financial records”.*

The principal in school A has a supervision plan and monitors financial records, although records were not prepared according to the policies guiding the management of school finances. The principal in school B followed the legislative framework, since the financial records were orderly organised. The principals in school C and D showed negligence and shifted their responsibilities (i.e. of being overseers and the accounting officers) to the finance officers of their institutions, without providing requisite supervision. The results from principals suggested that principals do not really monitor and control financial records, due to incapacity. Principals did not have necessary skills to monitor and control financial records. They (principals) relied on finance officers, who are incompetent as well. Financial records and reports are a true reflection of school operations. There is lack of proper management and control systems in place. In that regard, training did not capacitate principals enough to ensure that financial recording systems are in order.

#### *4.2.3.2 Responses from finance officers*

Finance officer from school A:

*“Being a finance officer and having my own class is a big challenge to me. I am unable to focus on controlling the financial records due to time constraints. I have reported to the principal many times”.*

Finance officer from school B:

*“My responsibility is to ensure that financial transactions are recorded, bank statements are collected every month in order to facilitate bank reconciliation, all the paperwork is done properly during the procurement process and that financial report is prepared at the end of each month of which I do and I am happy about my work”.*

Finance officer from school C:

*“All financial recording and reporting are my responsibility. The principal does not even check if transactions have been processed correctly. I am not really happy with how records are managed in my school it is just a chaos. The principal is always complaining to be busy when I ask him to check the financial records”.*

Finance officer from school D:

*“Management of financial records is my sole responsibility. I am also responsible for preparing a financial report on my own”.*

From the interviews, the parents in school A and B are involved in the budgeting process, although they are not fully participating, due to insufficient knowledge of the legislative framework. The principals of school C and D took decisions with the finance officer, who is responsible for financial control of books, hence this contravenes the legislation. The responses uncovered evidence of negligence on the part of the SGB and the principal. The principal is the accounting officer of the school and as such, has to take care of all the activities in the school. The SGB is accountable to the parents and the DoE in the management of school finances. Therefore, SGB has to take full responsibility in the management of the school finances. The results showed incompetence on finance officers, due to lack of sufficient knowledge and skills.



Principals lack necessary knowledge and skills to monitor and support finance officers on proper record keeping. Training intervention provided by the DoE does not seem to have improved the capacity of finance officers at these schools.

#### **4.2.3.3 Responses from treasurers**

Treasurer from school A:

*“I know nothing about financial records, I only come to sign cheques”.*

Treasurer from school B:

*“I check the requisition book before signing a cheque, I also request financial statement to see the availability of funds and check the budget plan to verify if the expenditure is done according to the plan”.*

Treasurer from school C:

*“All financial records are managed by the finance officer. I am not highly educated therefore I do not understand the procedures for recording and reporting”.*

Treasurer from school D:

*“I am illiterate; I cannot read therefore I know nothing about financial records”.*

The responses of the treasurers show that there is a lack of transparency in terms of record keeping. Treasurers are parents and are also illiterate, which therefore makes it difficult to understand financial records. The responses from treasurers showed that training did not accommodate level of education of trainees. Therefore, facilitators and organizers failed to provide necessary documents that will assist treasurers to understand financial record keeping.

#### **4.2.4 Procedures and guidelines regulating school finances**

The following question was asked to the respondents:

- Can you briefly explain the procurement procedures when spending funds?

Procurement is a stipulated procedure that has to be followed when buying goods and services using school funds. The researcher wanted to check if the finance committee understands and follows the procurement procedures to spend accordingly.

#### *4.2.4.1 Responses from the principals*

Principal from school A:

*“Procurement is one of the key processes to be followed before spending funds. I ask the finance officer to ask for 3 quotations and choose the quotation with the lowest amount”.*

Principal from school B:

*“Before spending funds, a requisition is completed for the particular item. If the item is more than R2000, three quotations are requested and the procurement committee decides the reasonable quote and brings the report to finance committee, I then authorise payment”.*

Principal from school C:

*“The paperwork on the requisition is done by the finance officer I normally sign the completed requisition forms. I choose the service provider who has the lowest quotation and the finance officer makes the invoice”.*

Principal from school D:

*“Procurement is supposed to be done by the finance committee, due to lack of skills in this aspect I do it on my own. I look for 3 quotations and then I prepare the paperwork and choose the service provider having the lowest quotation. The department must train the finance committee on this aspect”.*

From the responses, the principals showed insufficient knowledge of the procurement procedures. Procurement is the responsibility of the finance committee collectively with all stakeholders, not the finance officer alone. The SGB is responsible for approving expenditure and the principal authorises the payment. The principals in school A, C and D rely on finance officers for procurement. All the procurement processes in school B are conducted procedurally. Responses showed deviation on procedures to be followed during the procurement process. Principals did not comply, due to lack of necessary skills and support from the DoE. Principals are transgressing the procurement procedures. There is a dire need for training to equip principals, so that procurement procedures can be implemented accordingly.

#### *4.2.4.2 Responses from finance officers*

Finance officer from school A:

*“We do procurement with the principal because the parent component always excuses themselves to sit for procurement indicating that they are not knowledgeable about the procurement procedures”.*

Finance officer from school B:

*“The procurement is done by the procurement committee which is also the finance committee. Before any expenditure is done the procurement committee meets and conduct all the processes, as a finance officer I prepare paperwork and submit to the principal for signature. The process is transparent and all members of the SGB are informed about the process”.*

Finance officer from school C:

*“Procurement process is done by the principal alone. He looks for quotations and selects the service provider of his choice. There is no transparency at all”.*

Finance officer from school D:

*“Procurement is a one man’s show. The principal does everything related to the procurement. My duty is to prepare paperwork. I don’t think this is correct”*

Responses from the finance officers indicate deviations from the SASA and PFMA. Principals in school A, C and D have no authority to conduct the procurement process alone. The finance committee has to be involved. Deviations from procurement procedures may lead to fraudulent activities, as the principal is the sole authority in choosing service providers in schools A, C and D. Procedures and guidelines are not properly followed. The results showed that training on this aspect is not considered. Procurement is a critical process that needs to be followed properly, as it involves awarding of tenders. Intensive training of finance committees is very important.

#### *4.2.4.3 Responses from treasurers*

Treasurer from school A:

*“I know nothing about procurement, the process is done by the principal and the finance officer”.*

Treasurer from school B:

*“Procurement is done by the finance committee; the principal signs the requisition form for the selected service provider. The process is transparent and the budget is followed”.*

Treasurer from school C:

*“The principal is doing procurement on his own. As the finance committee, we are not informed about the process the principal makes his choices on service providers. The department must take note of this irregularity”.*

Treasurer from school D:

*“There is no order in our school the principal do things in private. There is no consultation on many issues. Procurement is done by the principal without involving the finance committee”.*

The responses from the treasurers indicated a lot of transgression by the principals on this aspect. The procurement process is perceived to be just a business of the principal, since there is no transparency and openness. Only school B seemed to follow procurement process according to prescripts. Treasurers from School A, C and D reported that they are not involved in decisions during the procurement process, they are called only to sign cheques. There is no transparency in the procurement process. The responses suggest that treasurers are usually excluded in the procurement process. It is clear that there is a void which needs urgent attention and appropriate training should be provided. Procurement is the key area in the school environment, since it directly affects the management of school finances. The capacitation of treasurers is vital in ensuring that proper procurement procedures are adhered to at all times.

#### **4.2.5 Financial management challenges**

The following question was asked to respondents:

- What challenges did you experience from training?

The researcher wanted to find out the views of the members of the finance committee and focus groups, concerning training and challenges experienced during and after the training.

#### 4.2.5.1 Responses from principals

Principal from school A:

*“A lot of information is pumped at once within a short space of time and the parents get back frustrated and confused. Training does not focus more on legislation and policies that regulate the management of finances. I have a responsibility to re-train the SGB with the little knowledge I have”.*

Principal from school B:

*“One of the biggest challenges is that there is no proper planning and budgeting for capacity and development of the SGBs. Seemingly it is a rush event that is done for compliance by the district officials. The design of training manuals is very biased as the parents in the SGB are not catered convincingly. The language in the manuals is too sophisticated for parents to understand due to educational background”.*

Principal from school C:

*“Training is very introductory and brief. We simply get microwave training conducted by officials who are not highly skilled in finance management. Legislative framework should be the focus of our training in order to assist the SGBs in performing their duties effectively. A lot needs to be done”.*

Principal from school D:

*“Overcrowding in the venues creates a lot of chaos as people get bored due to a lot of noise and sometimes there are not enough chairs to sit, some people stand up for long hours and end up leaving the training. Training content does not put emphasis on legislation and policies that govern the management of finances. The facilitators mostly are ordinary people who are less skilled in the financial management and who do not have enough knowledge on legislation on the management of finances”.*

Although the DoE provided training, the quality of training offered was not up to standard. The responses of the principals indicated a lot of gaps from poor training. The legislative framework was not considered as a baseline for the training. The principal in school A had great concern on the bulk of information that was confusing and frustrating the parents during training. The principal of school B reported dissatisfaction with poor planning and organisation by the DoE, since it looks like training was done for the sake of formality.

The use of ill-skilled trainers did not assist SGBs in performing their duties well. Instead, SGB members were confused, lacked confidence and were submissive to principals. The training manuals were not user-friendly, especially to parents; the language used in the training manuals was not designed to match the level of education of parents. The results from the principals suggested that the quality of training offered was low, hence the planning preceding training was poor and facilitators were incompetent and lacked expertise.

#### *4.2.5.2 Responses from finance officers*

Finance officer from school A:

*“We do not get manuals or documents in the training for reference purposes. No monitoring and support is done after the training. The large group makes it impossible to hear very well as there is noise and roaming around. Also, training needs to be conducted in stages and not be done as a once off. The legislative framework is not emphasised”.*

Finance officer from school B:

*“I gained a lot of knowledge and skills from the training that is assisting me in my roles and responsibilities. Training has to be conducted in stages and be role specific as there are parents who get confused in getting a lot of information in one day. More focus should be on legislative framework and policies regulating finances”.*

Finance officer from school C:

*“Training has assisted me to be able to perform my duties although I still have gaps in legislation and policies. At least I am able to record income and expenditure” and prepare a financial report. The department of education must do proper planning”.*

Finance officer from school D:

*“The training is conducted by the circuit manager who is not an expert. He gives us a summary of the financial management. This is a big challenge as the information we receive is too shallow”.*

The dissatisfaction of finance officer in school A was that of training that had been a once-off event, no monitoring and support from the departmental officials. Training was beneficial for finance officers in school and C, although poor planning was highlighted. The finance officer in school D indicated poor quality of training, since it was facilitated by a circuit manager who was not properly skilled in financial management. From the interviews, the legislative framework was not treated as an important aspect in which all management and control activities are regulated. The responses showed poor planning, improper and inadequate training, lack of monitoring and support by the DoE. The SASA requires that continuing training opportunities be provided to SGBs to reskill them. However, it appears as if the DoE is only providing a once-off introductory training, hence this is contravening Section 19 (1) of SASA.

#### *4.2.5.3 Responses from treasurers*

Treasurer from school A:

*“I need training on legislation and policies that regulate school finances. The type of training we receive is too generic. I need more training to close up the gaps. I don’t like the manner in which we are trained, we are combined in a big hall and as such we go out without understanding properly what was being said”.*



Treasurer from school B:

*“As a treasurer, I have a responsibility to control and monitor income and expenditure. Training has to ensure full capacity on all legislation to strengthen my responsibility”.*

Treasurer from school C:

*“We are called in a big hall in town for 2 days and I go back home with insufficient information. I get assistance from the principal who takes us through again at school. The department of education must review the type of training in order to achieve the intended purpose”.*

Treasurer from school D:

*“For us as finance committee to function effectively and efficiently, training must focus directly on roles and responsibilities and all the legislation that is relevant for the management of finances”.*

Legislation and policies on financial management are the guiding documents, therefore, SGB should follow them to manage school finances successfully. Training on financial management should strive to achieve the mandates and principles underpinned in these legal documents. The treasurer from school A complained that training was too general and should focus on the legislative framework. Further, treasurer in school B indicated that training should strive to assist them to perform their duties effectively and efficiently. Treasurer in school C showed the frustration of poor training offered and the duration which was short. The treasurer in school D raised the importance of training to focus on roles and responsibilities. Additionally, treasurer from school D emphasized that training should focus on all relevant legislation regarding the management of school finances. Therefore, training did not really meet the expectations of the treasurers and has to be reviewed to address the needs of the school. Moreover, training should strive to achieve the intended outcomes of equipping the SGBs to perform their duties successfully. The results showed the failure of training to capacitate treasurers to perform their duties.

#### 4.2.5.4 Responses from focus groups

Focus group 1:

*“The duration of the training was too short. The training was done for two days only. The venue was not conducive as all SGB members in the district gathered in one hall which is not big enough to accommodate large numbers of people. As parents, we are not well educated and the training manuals do not cater us. The training manuals have terms that are not understandable”.*

Focus group 2:

*“Schools must be trained according to circuits. The duration of training is very short; 2 days is not enough at least a week session can make things better. Facilitators must be people with expertise. On-site support and monitoring can assist the implementation of the finance policies and ensure proper functionality of the SGBs”.*

Both focus group 1 and 2 were complaining of venues that were overcrowded, short time, facilitators were not experts in the field and the monitoring and support was required from the DoE to improve their performance. The results showed that training manuals used had a language barrier and facilitators were not experts and had limited knowledge and skills on financial management.

#### 4.2.6 The effectiveness of financial management training on SGBs

The following questions were asked to respondents:

- In your opinion, how well did the training interventions you receive address your needs?
- How would you recommend the training interventions be amended to be more effective?

- How did the training assist you in your role in the management of school finances?
- What do you think can be the way forward towards effective financial management in schools?

The researcher was investigating if the training was assisting the members of the finance committee in performing their duties efficiently.

There were mixed feelings on the impact of training in the management of school finances. All the participants felt that partly, training was assisting, although there were number of gaps and challenges needed to be addressed.

#### 4.2.6.1 Responses from the principals

Principal from school A:

*“The knowledge and skills I acquired are not enough. I am struggling with the interpretation and implementation of legislation and policies. I have an obligation to support the SGB in my school. I think training has to be driven by needs of the SGBs”.*

Principal from school B:

*“The department is trying its best to capacitate the SGBs but a lot of things need to be improved. I do in-house training. I also hire a service provider to do training so that processes can run smoothly. The Department of Education must use SETA to assist in training of SGBs”.*

Principal from school C:

*“The little knowledge that I gained is assisting me to guide and provide mentorship to the SGB. Although there are still gaps I feel the initiative by the department is appreciated. Training plan must be developed and clear objectives be stated”.*

Principal from school D:

*“Training is capacitating the entire SGB to some extent and a special focus should be put more on the finance committee as the committee is the driving vehicle in the management of school finances”.*

The principal in school A acknowledged acquisition of knowledge from training, but highlighted the poor quality of training in imparting necessary information on legislation and policies. The principal in school B expressed benefits from training meant to capacitate the SGBs, but went an extra mile to do in-house training and hire private service providers to assist the SGBs. It is therefore imperative for the DoE to use such hard-working principals with good initiatives and practices to share among others.

The principals of school C and D also shared some positives gained from training in terms of knowledge and skills, although limited. The principal of school D further emphasised the importance of training to be offered to the finance committee, since they are the drivers of financial management in schools. The responses suggest that there were little benefits gained from training, as principals are struggling to play their leading role in the management of school finances.

#### *4.2.6.2 Responses from finance officers*

Finance officer from school A:

*“Despite the challenges in training, there are skills I acquired in the management of finances. The training assisted me in managing my own finances and performs my role confidently. We are able to assist each other in the finance committee from the knowledge we received”.*

Finance officer from school B:

*There is a positive impact that training has brought in the management of school finances. I learnt that school finances are guided by rules and regulations. As a finance*

*officer, I am aware that all the transactions have to be recorded accurately and records are updated regularly”.*

Finance officer from school C:

*“Before I received training I was really in the dark concerning my role in managing finances. I knew nothing about procedures and legislation governing school finances. After training at least, I am able to perform certain duties although I am still lacking in record keeping and preparing a report”.*

Finance officer from school D:

*“Training has played a little role in equipping us with the management of school finances due to poor planning by the Department of Education”.*

The finance officer in school A acknowledged the role played by training in her duties and on a personal basis. However, the finance officer highlighted that there were shortcomings in training. The finance officer in school B was optimistic about training and was performing well in her duties. The finance officer in school C also reported that training was an eye opener, but there were still gaps. Finance officer in school D indicated a dissatisfaction, due to poor planning by the DoE.

Although training was beneficial to the finance officers to some extent, quality was not up to standard as all finance officers reported gaps in their knowledge and skills. The DoE has to review training content and come up with strategies to improve the training. The DoE should do this to enhance the performance of SGBs in managing school finances. The responses of finance officers showed incapacity, due to insufficient knowledge caused by poor training offered.

#### *4.2.6.3 Responses from treasurers*

Treasurer from school A:

*“The training has assisted in managing school finances and my finances as well. I am aware that expenditure of funds is controlled by the budget. We must avoid under and overspending. I am not allowed to sign a blank cheque”.*

Treasurer from school B:

*“From the training, I know that I cannot sign a blank cheque, signing of cash cheques is not allowed. The principal cannot just instruct me to sign a cheque without providing the necessary evidence. The principal is doing a great job by providing in-house training to ensure that all grey areas are fixed”.*

Treasurer from school C:

*“The training has opened my eyes. I know that all the members of the SGB should be aware of all the expenditure that has to take place and that I sign cheques for the money that has been budgeted although this is not done procedurally”.*

Treasurer from school D:

*“There is little information we received from the training. Training has given us just a guide on how to manage the school finances. Most of the work is done by the principal giving mentoring and support from the principal from time to time so that we keep updated”.*

Treasurer from school A highlighted the importance of the knowledge gained in her role and personal affairs. Treasurer from school B commended the training which is offering knowledge necessary for her duties. Treasurer from school C saw training as an eye-opener. The treasurer in school D had a different view that little knowledge was acquired from training and as such the principal performs all the work. The results showed some benefits, although practically treasurers were not performing well. The design of training has to be revised and improved.

#### 4.2.7 Improving training for effective and efficient financial management

The following question was asked to the respondents:

- How best can training be improved to make financial management effective and efficient?

##### 4.2.7.1 Responses from principals

Principal from school A

*“The department needs to do proper training, especially to the parent component as they are not used to the terms of finances. A special budget has to be allocated for training and make use of service providers to take us through on a quarterly basis, twinning of schools can strengthen support and collaboration to improve the performance of SGBs”.*

Principal from school B

*“Proper planning on the side of the department would bring positive results. Intensive training on the finance committee is very critical because the finance committee is the driver of the financial management in the school. The department has to take us step by step and then do integrated training so that there is linkage on the duties”.*

Principal from school C:

*“I don’t think our department is serious about capacitating the SGB on financial management. The manner in which training is conducted is just compliance. The department cannot expect the SGB to perform well in the management of school finances unless it changes the strategy on how the training is delivered”.*

Principal from school D:

*“The department of education has to prioritise training of SGBs on financial management due to crucial role the SGBs play in this regard. Training needs to be done regularly not a once off event. Appointment of service providers can even assist the circuit managers who are supposed to do monitoring and support in schools”.*

The responses of school principals point to the following:

- A need for relevant and focused training content.
- Appointment of service providers who have expertise relevant to the school environment.
- Continuous training and intensive training for SGB members, especially those who constitute the finance committee, because they play a pivotal role in terms of financial management in schools.

The training offered should address critical areas on finance management like procurement records management and regulatory framework. The training attended did not fully equip principals with necessary skills to support the entire members of the SGB.

#### *4.2.7.2 Responses from finance officers*

Finance officer from school A:

*“The departmental officials must do their job of monitoring and support on monthly basis. Intervention by the department can increase the performance of the SGBs in financial management as the SGBs are the backbone of the school”.*

Finance officer from school B:

*“Co-operation among all the members of the SGB would assist in bringing progress towards the school development. Some members do not attend meetings regularly and*



*as such are not well informed of the important issues. Full support by the department will make a difference”.*

Finance officer from school C:

*“Training has to be done according to our lines of function. The fits one fits all approach is not assisting. The parents in the SGB must be empowered intensively so that they are able to take decisions confidently”.*

Finance officer from school D:

*“As a finance officer, I deal with the day to day operations of the school finances. It would assist me a lot if we can be trained every quarter and be monitored if work is done according to legislation”.*

The finance officer in school A suggested that continuous monitoring and support by the DoE would improve performance of the finance committee. Finance officer in school B was of the view that co-operation among the members of the SGB and full support from the DoE could bring a change towards the management of school finances. Finance officer in school C did not agree with the one-size-fits-all approach and therefore, suggested training to be conducted according to lines of function. In school D the finance officer suggested training to be conducted quarterly and monitoring to be done to fill the gaps where necessary. The results suggest that training should be offered continuously as provided for in Section 19 (1) of SASA and not a once-off event. Finance officers are of the view that co-operation among members of the finance committee and entire members of SGB and support from the DoE can improve performance of the finance committee.

#### *4.2.7.3 Responses from treasurers*

Treasurer from school A responded:

*“A lot of work needs to be done by the department with regards to training of the SGBs especially treasurers because we are most vulnerable as principals are at the authority and sometimes give a short notice to sign cheques without following procedures properly”.*

Treasurer from school B responded:

*“The department must organize training every quarter in the circuit and also at school to assist us to gather more technical skills and knowledge. We are still lagging behind when it comes to implementation of finance policy”.*

Treasurer from school C:

*“The department needs to plan training properly and training has to focus on a specific function. The training that we attended did not go deep into policies and legislation that regulates the school finances”.*

Treasurer from school D:

*“I think training has to put more emphasis on legislation and its implications of non-adherence to. Most of the problems come from deviating from the policy that has to be followed. Training must clearly state the duties of each person in the SGB and the finance committee so that there is no overlapping”.*

In school A, the treasurer suggested that the department must intensify training, since treasurers are responsible for ensuring that expenditure is aligned to the budget and not signing cheques for things not budgeted. In school B, C and D, the treasurers lacked technical skills in managing school finances. Therefore, the department should put emphasis on legislation and its implementation. The responses suggest that training should be relevant to the content and the context and must focus on the performance areas of SGBs. Another important aspect is the focus on legislation regulating finance management, because this forms the basis for all procedures to be followed regarding the management of school finances.

#### 4.2.7.4 Responses from focus group

Focus group 1 responded:

*“The department of education has to ensure that all the SGB members receive induction during the start of office. Training has to focus on the needs and consider the educational backgrounds of the participants. The Department of Education must give support and monitoring to ensure that implementation of finance policies is taking place. A clear training plan would assist all the SGB members to know when and how the training will be delivered”.*

Focus group 2 responded:

*“Training has little impact on positively influencing our role of ensuring effective and efficient management of school finances. The duration of the training should be at least 4-5 days and training should be done at the beginning of each quarter”.*

Focus group 1 suggested proper induction during the start of office by the SGB and clear training plan by the DoE would inform the SGB about the delivery of the training. Focus group 2 is unhappy about negligence by the department on monitoring and support. Training has to consider educational backgrounds of SGBs when preparing training manuals and content.

### 4.3 DATA FROM DOCUMENT ANALYSIS

The researcher examined and analyzed school's documents that are relevant to financial management and the technique used in document analysis. The documents analyzed included the following:

- the minutes of SGB meetings
- agendas
- attendance registers

- school budget
- finance policies
- finance records
- financial reports
- audited statements

The applicable legislation and policy documents were also analyzed. These documents were the South African Schools Act 84 of 1996, Constitution of the Republic of SA of 1998, National Norms and Standards for School Funding of 1998 and Public Finance Management Act 1 of 1999. The purpose of examining financial documents was to verify and clarify data from interviews and focus group discussions.

### **4.3.1 Meetings of the SGB**

#### *4.3.1.1 Notification*

The secretary shall, in consultation with the chairperson, determine the venue, date and time of any meeting and shall notify each member in writing, at least 14 days prior to the meeting, stating the nature of the business to be transacted. The SGB shall meet at least once in a school term (DoE, 2004).

#### *4.3.1.2 Proceedings*

Subject to the provisions of the SASA and the provincial legislation, the SGB shall determine its own rules relating to the format and procedures at meetings (DoE, 2004).

#### *4.3.1.3 Quorum*

Before a meeting can commence, the chairperson must ensure that members form a quorum, to ensure that sound decisions are taken. A quorum is the minimum number of

members who must be present at the meeting. According DoE (2004), a quorum is formed by the majority of the members of SGB (50% plus one). According to Perkins, (2017), quorums are set in the interest of fairness, preventing individuals and factions from acting without full representation of the overall company. In order to satisfy the full requirement, a quorum should be maintained throughout the meeting. In other words, members should not simply appear for roll call, then leave the room. Any business that takes place under those circumstances could be considered null and void. The number of members who are legitimate to conduct a meeting must be clearly stated in the school policy documents.

According to Gauteng Department of Education [GDE] (1997), a quorum of the governing body shall be 50% of the members eligible to vote on the relevant business of the governing body, plus one of which the majority shall be parent members.

If the quorum is not reached at the Annual General Meeting (AGM), the following procedure must be followed:

- The Chairperson of the SGB shall determine a date, time and place for a second AGM and inform parents in writing at least 20 days prior to the date of such meeting
- The principal shall at least 14 days prior to the date of the second AGM, distribute a copy of notice to every learner at the school with an instruction to hand it to his or her parents.
- At the second AGM, there shall be no quorum requirement and the meeting shall proceed.
- A quorum of the Special General Meeting shall be 15% of the voters roll.

There were no policies regarding the quorum for the meeting to be conducted in all the four schools.

This is a very crucial aspect that needs to be clearly defined to ensure all SGB meetings are a full representation of the members of the SGB, so that decisions are taken by eligible members and there is transparency.

#### *4.3.1.4 Proxy votes*

Any SGB member who cannot attend a meeting shall be entitled to issue a written and signed proxy to any other member of the body, if a particular motion is to be subject to a vote. Such member shall be given authority to vote for the non-attending member (DoE, 2004).

#### *4.3.1.5 Voting*

All decisions of the governing body shall be taken by a majority vote (i.e. showing of hands unless a secret ballot is requested) (DoE, 2004).

#### *4.3.1.6 Minutes*

According to DoE (2004) the SGB should hold meetings at least once in a term. The secretary shall record the minutes of every meeting in the language determined by the SGB. The discussions in the meeting should have minutes. The items that can be included in the minutes are as follows:

- Firstly, date, place and time of the meeting.
- Secondly, who attended and who submitted apologies.
- Thirdly, acceptance of the previous minutes as a true reflection of what was agreed to at the last meeting. This should be proposed and seconded and the proposer and seconder should be noted in the minutes. The Chairperson of the SGB or the Deputy Chairperson of the SGB should then sign the previous

minutes to show that all agree to them. The previous minutes should be filed and stored in a safe place in the administration centre of the school.

- Fourthly, matters arising from the previous minutes should be noted.
- Fifthly, various other items for discussion. This will vary from meeting to meeting and may include some regular reports. Some items that may appear for discussion are as follows: Financial report, possibly including income and expenditure (budget, year to date and variances) balance sheet, bank statement, outstanding fees and planned capital expenditure.
- Sixthly, any other business. This item allows members at the meeting to bring up new items for debate, discussion and/or resolution.
- Seventhly, date, time and place of the next meeting.
- Lastly, closure (and time).

The minutes should be circulated to each person before the next meeting. This gives SGB members time to consider what was agreed upon and what they may have to do before the next meeting. These minutes would then follow a similar path at the next meeting (proposed and seconded as a true reflection, signed by the Chairperson of the SGB and filed into the minutes' file). The minutes' file, then, forms the most important record for the SGB. It records decisions that were taken, discussions that were held and those who were present at the time.

#### *4.3.1.7 Declaration of conflict of interest*

According to American Bar Association (2006) generally, a conflict of interest exists if a governing body member's judgment is, or may be influenced by considerations of personal gain or benefit, or of gain or benefit to a third party. When the potential conflict of interest involves a client of the governing body's member, of the provider or of both, ethical considerations may govern whether there is a conflict and the policy should provide guidance regarding the professional obligations of the provider and the

governing body's member. The policies should be developed and give clear guidelines on procedures to be taken when a conflict of interest arise.

All members of the SGB should be required to make declaration of interest before assuming duties to the office. There were no guidelines and policies regarding the declaration of conflict of interest in all the four schools.

#### School A

The minutes of SGB meeting were prepared by following the guidelines with all the items reflected. All members that were present appended signatures at the end of the minutes. The minutes did not reflect any items related to school finances. There were no minutes for finance committee meetings. The minutes did not indicate anything regarding the quorum.

#### School B

There seems to be an order in the school B. The minutes for both the SGB and finance committee meetings were prepared as suggested on the guidelines on writing minutes. All the items under discussion appeared in the minute book. The minutes of the finance committee were available. The minutes of the finance committee also followed the similar path and reflected discussions on financial matters of the school. The matter on whether the quorum was satisfactory or not, was not reflected in the minute book. In all the minute books the chairperson and the secretary certified the minutes.

#### School C

The minutes of the SGB meeting were not properly formulated. Further, the minutes did not follow the path as suggested in the guidelines. Members that were present signed. There were no minutes for the finance committee. The meetings were chaired by the principal instead of the SGB chairperson. The minutes did not reflect any item concerning the quorum of the meeting and declaration for conflict of interest.



#### School D

The minutes in school D were poorly prepared, since, they (i.e. minutes) did not follow the format suggested in the guidelines. There was a high rate of absenteeism from the parents in SGB meetings in school D. Therefore, there were no minutes available for the finance committee.

The responses show that the SGBs are struggling with minutes writing. Only school B had minutes for finance committee. Seemingly, school A, C and D did not hold finance committee meetings as there were no minutes available. The entire SGB showed negligence in ensuring that the finance committee holds meetings to discuss financial issues. The aspects of ensuring that quorum is satisfactory to conduct the meeting, and the declaration of the conflict of interest were not understood. Training did not fully equip members of the SGB in minutes writing. Quorum for the meeting is a very crucial aspect, as such, decisions should be taken by a full representation of the SGB. The training process should consider this aspect.

Declaration for the conflict of interest should be signed by all members before starting the term of office. Training has to put more emphasis on capacitating the SGBs in writing minutes. Minutes are important point of reference for the next meeting and assist in tracking progress of issues discussed. Proper training is required to equip finance committees with necessary skills in writing minutes. Finance-related decisions in school A, C and D are not taken by the finance committee and this is very concerning.

#### **4.3.2 Attendance register for meetings**

As suggested in the guidelines, the attendance registers must be signed by all members present in the meeting. Attendance register must indicate the date, names of the members, contact numbers and signatures.

#### School A

The attendance register was well designed, since it featured date of the meeting, name, contact number and signature. All members signed the attendance register. The registers reflected good attendance.

#### School B

Attendance registers for both SGB and finance committee meetings were properly designed and filed.

#### School C

The attendance registers that were available were for the SGB meetings only. Some registers were missing due to poor filling and there was a high rate of absenteeism.

#### School D

There is no order in this school, the attendance registers were not properly filed, but just loose papers, which reflected poor attendance by SGB members.

The results showed that schools A, B and C are capacitated in designing the attendance register and ensure that the attendance registers were signed. Only school D deviated. Although attendance registers were signed, high rate of absenteeism by some members of SGB does not reflect full representation and affects decision making.

### **4.3.3 Budget**

According to Western Cape Department of Education (2013), the school development and strategic plan must be used as a basis for the budget. The school budget must show the income and expenditure of the previous year. The budget must show the following:

- balance between the total income and expenditure.

- actual income and expenditure of the previous year.
- projected income and expenditure of the current financial year.
- expected income and expenditure of the following year.
- percentage variance between the expenses of the previous year and the projected expenses of the current year for each line item.
- percentage variance between the projected expenses for the current year and the budgeted expenses for each line item.

#### School A

The available budget was drafted following the paper budget allocation from norms and standards funding. Signatures of the finance committee were available and were approved by the department, as well as the signature of the circuit manager and stamps were reflected. The budget was aligned with legislation.

#### School B

The budget was a reflection of the paper budget on norms and standard on school funding. It was clearly indicating all the cost centres, income and expenditure with time frames. School B seems to understand the budgeting process and the legislations regulating school finances. The budget was signed by the chairperson, treasurer and the principal and finally approved by the circuit manager.

#### School C

The budget was available and aligned with the legislation, with income and expenditure derived from the paper budget on norm and standards. It was signed by the relevant parties and approved by the circuit manager.

#### School D

The budget was available with all the cost centres from the paper budget, it was aligned with legislation and was officially approved by the circuit manager.

It was a highlight to see all the schools drafted the school budgets, although there were still minor gaps regarding meeting the expected standards of a proper budget. More training is needed to ensure that budgeting is done according to expected standards. The greatest challenge of the schools is a deviation from the budget when spending.

#### **4.3.4 Record keeping and financial reporting**

According to SASA Section 42, regarding the financial records and statements of public schools, the governing body of a public school must keep records of funds received and spent by the public school. Additionally, the governing body should keep records of its assets, liabilities and financial transactions as soon as practicable, but not later than three months after the end of each financial year. The SGB should draw up annual financial statements in accordance with the guidelines determined by the Member of the Executive Council (RSA, 1996).

##### **School A**

Financial transactions recorded indicated a violation of PFMA, as expenditure was not planned in the budget. Monthly financial reports were not signed and submitted to the DoE.

##### **School B**

All transactions were recorded accordingly and bank reconciliation was done on a monthly basis with all the bank statements available. All the finance documents were properly prepared and filed. Supervision of financial records was done by the principal. Monthly financial reports were available and signed by the chairperson, treasurer and principal and finally submitted to the DoE.

#### School C

Not all transactions were recorded in the journal. Some cheque payments that reflected on the bank statement were not recorded on the journal. Financial records were not properly managed.

#### School D

There was chaos in this school. There were no control systems in place. Transactions recorded were not a reflection of actual expenditure. There were no financial reports available.

The documents on financial recording and reporting showed that schools were contravening the SASA and PFMA. There was negligence by the DoE in terms of monitoring and support. There was no proper recording and filing of finance documents. Financial reports were prepared in different formats, since there was no standardised template for reporting. Monthly reporting was not done by school A, C and D, which is part of accountability and this is one of the key obligations of the SGBs. There was no scheduled plan for submission of financial reports from the DoE. The responses showed poor management of financial records. Training did not properly capacitate finance officers in the record keeping and financial reporting.

#### **4.3.5 Audited financial statements**

According to Section 43 of SASA, the governing body of a public school must appoint a person registered as an auditor in terms of the Auditing Profession Act, 2005 (Act No. 26 of 2005), to audit the records and financial statements. In accordance with Section 60 (1) of the PFMA, an auditor appointed in terms of Section 58 (1) (b) must perform the functions of office as an auditor in terms of Section 20 of the Public Accountants and Auditors Act, 1991 (Act 80 of 1991). No person who has a financial interest in the affairs of the public school may be appointed for auditing. A governing body must

submit to the HoD, within six months after the end of each financial year, a copy of the annual financial statements, audited or examined in terms of Section 43 of SASA.

#### School A

The audited financial statement for 2014/15 financial year was examined. The audited statements followed guidelines as stipulated in SASA. The financial statement was audited by an approved auditor and submitted to the DoE with the signature of the chairperson, treasurer and the principal.

#### School B

The audited statement was submitted to a parents meeting and thereafter to the circuit manager, with the signatures of the chairperson, treasurer and the principal.

#### School C

The audited statement was approved by the DoE. The statement was signed by the chairperson, treasurer and principal.

#### School D

The financial audited statement was submitted to the DoE and approved. The audited financial statements are questionable, especially in schools A, C and D, where there was a transgression in the implementation of legislation and policies regulating the management of finances. There is poor monitoring by circuit managers, who should be visiting schools to give support. The Department of Education must appoint internal auditors for authenticity. The results showed that auditors that are auditing school finances do not comply with regulations of PFMA. The schools do not have proper records on school finances and auditors approve such statements.

#### **4.3.6 Finance policy**

A good finance policy must spell out the rules and regulations of handling the money/assets of the school. Furthermore, the finance policy should clearly outline the duties or responsibilities of the treasurer, finance officer, auditor, finance committee, the principal and other persons (e.g., educators) delegated for specific tasks. The finance policy must include a section on financial control mechanisms. The policy should clearly outline how assets of the school are controlled or what criteria are applied to appoint a registered auditor. The procedures for handling school fees, donations, post-dated cheques, authorization for cheque payments, signatories to the bank account and every aspect related to the school's finances should be included in the school's finance policy (Blandford ,1997:42; Mestry, 2004: 131).

##### **School A**

The finance policy in school A was too brief, hence there was no detail on rules and procedures to be followed in the management of finances. The contents of the policy were not informative and did not meet the expected standards. The policy was not signed by the principal, chairperson and treasurer.

##### **School B**

In school B, the finance policy tried to follow the proposed guidelines. The policy was informative and aligned to financial legislation, although it was not convincing that the SGB was part of the development of such policy, as there were no signatures in the policy.

##### **School C**

The finance policy was a 1-page document with no information relevant to the management and control of school finances. The policy was not informative and was not based on any legislation. It was done just for compliance purposes.

#### School D

The finance policy was not available.

In school A and C, the finance policies were not properly formulated. School D violated SASA, as there was no policy in place. Only school B had a finance policy that followed guidelines on the legal framework. The policies in school A, C and D did not explicitly indicate procedures and rules on how school finances will be managed. The poor quality of finance policy in school A and C resulted poor performance in the management of the school's finances (i.e. A & C). School D was in a serious crisis, as the absence of the policies, including the finance policy led to the chaotic situation in the school. The school did not have a guiding document to refer to in terms of financial management. According to SASA, the SGB has an obligation to oversee the overall financial management of school finances.

Finance policy is a guiding document for the management and control of school finances. Therefore, the SGB should play an active role in the formulation of the finance policy to create a sense of ownership and legitimacy on their part. Poor formulation of the policy prohibits control measures on deviations made by the school principals. Hence this further creates an opportunity for mismanagement of funds by the principals. The absence of finance policy is a violation of SASA, PFMA and NNSSF. Therefore, such schools should be charged with misconduct.

#### **4.3.7 Legislation documents**

The legislation documents that are important in the management of school finances are the Constitution of the Republic of South Africa, South African Schools Act 84 of 1996, Public Finance Management Act 1 of 1999 and National Norms and Standard for School Funding. According to Section 29 of the Constitution of RSA 108 of 1996: Everyone has the right to basic education which the state, through reasonable measures, must make progressively available and accessible.



The Constitution provides framework for transformation and democratisation (Naidoo, 2005). Clarke (2012:107) points out that the Constitution places an obligation on the government to provide funds. These funds should be used to ensure that there is an acceptable quality education at departmental, community-managed or state-aided primary or secondary schools on an equitable basis. The SGBs must ensure that all learners have access to education and are funded. SASA promotes access, quality and democratic governance in the schooling system (Naidoo, 2005).

The purpose of the PFMA is to ensure that all statutory bodies perform their functions within their budgets and that there are no deficit balances, while overdrafts and loans are limited as far as possible (DoE, 2008:82). The Act lays out the guidelines on how public finances must be managed at all spheres of government. The SGBs should adhere to guidelines as prescribed in the PFMA to manage school finances efficiently and effectively.

The NNSSF was promulgated in order to ensure consistent and equitable funding to schools (Rangongo, 2011:40). The NNSSF document describes the national norms and standards on school funding in terms of SASA. It deals with the procedures to be adopted by Provincial Education Departments for implementation at schools (DoE, 2008:83). According to the Norms and Standards for Funding of Public Schools, all public school SGBs are obliged to support their respective schools financially as best as they can (Ndou, 2012:31).

#### School A

The only legislation document that was available was SASA. The finance policy and cash journals were not properly aligned with this legislation.

## School B

All the legislation documents that should be available were provided to the researcher. Examination of the finance policy, commitment register, cash journal showed alignment with the legislative framework.

## School C

SASA was the only legislation document that was available. The finance policy and cash journal contravened the principles of SASA, PFMA and NNSSF.

## School D

SASA was the only legislation document that was available.

The legislations are important documents that are regulating the management of school finances and should be provided by the DoE to schools. Failure to provide legal documents will promote transgression, which manifests due to lack of information. The absence of the legislation documents in school A, C and D resulted in transgression of rules and regulations in these schools. The financial decisions taken were not based on legislation. There were no guiding principles that were followed and as a result, financial management in school A, C and D were in disarray. The financial management in school B was in order, although the school needed support to strengthen functionality. The DoE must ensure that schools are provided with all the necessary financial legislation documents. This should be done to ensure that schools adhere to rules and procedures stipulated in the legislation. The DoE failed to provide the schools with all the necessary documents that are required to manage school finances.

## 4.4 DATA RETRIEVED FROM THE INTERVIEWS

Table 1: Summary of themes derived from the interviews

Major Themes	Sub-Themes
Lack of understanding of roles and responsibilities of the SGBs	Dire need for capacity building Lack monitoring and support from DoE Insufficient knowledge and skills High levels of illiteracy amongst parent governors
Lack of understanding of legal framework governing school finances	Lack of interpretation and implementation of legal framework Dominance by the principal Non- participation of parents on budgeting process Poor control on financial recording and reporting Absence of legislation policies governing school finances
Deviation on procurement procedures	Lack of knowledge and skills for procurement procedures Transgression by the principal Non- involvement of finance committee
Challenges on financial management training	Poor planning of training programme Use of unqualified facilitators Poor training content Inadequate training Duration of training short

## 4.5 INTEGRATION OF RESULTS

Data collected from the interviews and focus groups discussions were verified through examination of document analysis. The responses from the interviews and focus groups discussions showed a great association with findings from an examination of financial documents. The results showed that there is lack of knowledge and skills on financial management.

In answering the research questions, the responses from the interviews and examination of documents proved that there was a lack of understanding of roles and responsibilities by SGBs. There was a lack of understanding of legislative framework guiding the management of school. There are serious challenges faced by SGBs in managing school finances, hence proper procedures were not followed in utilising school finances.

The training interventions appear to have failed to empower SGBs in their task of managing school finances. The SGBs did not appear to understand their roles and responsibilities and as a result, they were not actively taking part in financial decision-making at schools. The SGBs do not understand the legal framework and do not have access to policy documents because the DoE failed to provide some of these documents to schools. There is a need for an ongoing training to build the capacity of SGBs and this is a legislative directive imposed by Section 19 (1) of SASA.

Decisions taken at schools are not based on legislation, due to the unavailability of such policy documents. The schools' finance policies were poorly developed and not aligned to legislation. Poor formulation of finance policies resulted in poor recording of transactions, poor reporting and inexplicable deviations from the school budget. Schools seemed to be dysfunctional in financial management, because there were poor systems in place regarding management of finances. The drafting of a budget was a challenge for the parent component of the SGB, due to low level of education and lack of necessary knowledge and skills.

There was strong evidence from financial records of widespread deviation when it comes to spending of school funds. This was due to the absence of procurement committees, lack of procurement plans and control measures. The financial records were kept by the finance officer and that is not right. Financial records should be kept in a safe place at school. The SGBs did not submit financial reports on a monthly basis as required by legislation.

The finance policies were poorly formulated and not aligned with legislative framework. This was confirmed in the interviews where the finance committee and focus groups echoed that they did not understand the interpretation and implementation of the legislative framework. Therefore, they were not part of the formulation of finance policy. Procurement procedures were not followed properly, due to lack of procurement policies and plans. Absence of procurement committees resulted in maladministration, as principals chose service providers of their own preference.

Inefficiency and ineffectiveness of SGBs proved poor training, poor monitoring and inadequate support by the DoE. The responses from the interviews, focus groups discussions and findings from documents were a true reflection that training content was inadequate, training was poorly planned and trainers were not experts. Lack of knowledge on the legislative framework, which is the point of reference for management of school finances is a big challenge among SGBs. The unavailability of critical documents at schools like legislations on NNSSF, PFMA and finance policy, confirms this. The quality of training offered did not adequately empower the SGBs to perform their duties successfully. Facilitators did not have relevant expertise. They lacked knowledge and understanding of the school context and responsibilities of the SGBs.

#### **4.6 SUMMARY OF KEY FINDINGS IN RELATION TO THE CENTRAL QUESTION**

The results from the interviews answered the central question:

- Why are SGBs in selected public schools not effective in financial management in the JS Skenjana Circuit, Dutywa District, in the Eastern Cape Province?

The SGBs in schools where there was no legislation, did not perform well in the management of school finances. These schools did not follow proper rules and procedures in utilising school funds. Training failed to fully empower SGBs to manage school finances adequately. Mahlangu (2008:184) discovered that developmental

training of newly appointed SGBs was insufficient, since they could not perform their duties effectively and efficiently.

The principals were failing to support the entire members of SGB, due to lack of knowledge and skills. The parent component of the SGB did not fully participate actively in the formulation of the budget and decision-making. The finance officers took the sole responsibility of managing the financial records. Members of SGBs did not understand the legal framework, due to absence of legislation and policies regulating the management of school finances. Mabasa and Themane (2002:112) reported that SGBs are not trained before they start their work. Hence, this leads to problems such as unfamiliarity with meeting procedures, problems with the specialist language used in meetings, difficulties in managing large volumes of paper, not knowing how to make a contribution, not knowing appropriate legislation, feeling intimidated by the presence of other members who seem knowledgeable and perceiving their roles as simply endorsing what others have already decided upon.

Training interventions provided by the DoE failed to equip members of SGBs with the requisite skills and knowledge, to follow the correct procedures in managing school finances. Schools do not have procurement committees to deal with procurement-related matters. Makrweide (2012) and Naidoo (2010) highlighted irregularities regarding the expenditure and lack of appropriate evidence to support such expenditure. Training did not empower members of SGB with necessary skills to make them effective.

The responses from the interviews also reflected that documents on finances are not properly managed. For instance, minutes were not properly formulated in school D, such were not available. High level of absenteeism in SGB meetings showed lack of commitment among some members. Non-submission of financial reports is a non-compliance; which training should consider for the school to improve its performance in financial management.

The finance policies were poorly formulated and there were no procurement plans available. Financial records were poorly managed; some transactions were not recorded. Although audited financial statements were approved by the DoE, financial records were not up to standard. The study by Rangongo (2011:2) revealed irregularities in audited statements, late submissions of monthly financial reports and chaos during parents' meetings when SGBs present financial reports. The members of the SGB do not play their roles efficiently and effectively, due to lack of knowledge and skills, which ought to be imparted through training. Segwapa (2008:129) discovered that SGBs lack the necessary skills and knowledge to execute their roles and responsibilities. There was an outcry of hiring poorly equipped or low-skilled facilitators. These low-skilled facilitators did not understand the context and profile of trainees they were supposed to interact with. The DoE has to review the content of training offered to SGBs, if it intends to achieve the goals and aspirations entrenched in SASA when it comes to the management of school funds.

#### **4.6.1 Findings in relation to sub-questions**

The findings of this study were analyzed based on the sub questions that attempted to address the primary question.

##### **4.6.1.1 *To what extent do SGBs understand their roles or functions with regards to financial management after the training?***

The findings revealed that members of the SGB did not understand their roles and responsibilities. From the interviews, focus group interviews and documents analysis, it appeared that members of the SGB did not have adequate knowledge and skills to be able to function properly. Members of the SGB relied on the school principal and are passive in the meetings. The members of the finance committee are battling to perform their task due to skills deficit. Mestry (2004:126) highlights an important challenge facing SGBs, namely, lack of the necessary knowledge and skills for financial management

and consequently, the inability to work out practical solutions to practical problems. Since the enactment of SASA 21 years ago and despite the endeavours by the DoE to train the SGBs on the management of school finances, research revealed challenges faced SGBs in executing their roles and responsibilities as prescribed in SASA (Chaka, 2005; Heystek, 2004; Makrwede, 2012; Mestry, 2004; Xaba, 2011).

#### *4.6.1.2 How do SGBs understand the legal framework regulating school finances after the training?*

The understanding of legal framework is a serious concern and needs urgent attention. The SGBs did not understand legislative framework, due to failure of the DoE to provide adequate training and provision of relevant legislation documents to schools. The SGBs showed incompetence in drafting school budgets, drawing up finance policies and all relevant policies to finance. Xaba (2011) and Ndou (2012) revealed that SGBs experienced challenges in policy development, formulation and implementation.

#### *4.6.1.3 What challenges do SGBs experience with regard to financial management after the training?*

The members of the SGB experienced a lot of problems in managing the school finances. The challenges included poor formulation of finance policies, poor writing of minutes, poor recording and reporting and inappropriate procurement procedures. Van Wyk (2007: 135) and Mngoma (2009: 50) revealed lack of skills for decision-making and leadership among the parent component in the SGB. This component relies on the principal and teachers. The SGBs lack knowledge of meeting procedures and are passive in meetings, hence this affects their ability to manage school finances.



#### *4.6.1.4 To what extent do SGBs follow the correct procedures and guidelines in the utilisation of school finances after the training?*

The members of the SGB did not follow adequate relevant procurement procedures. Procurement process was done by the principal alone, since the selection of tenders was done by the principal only. There is lack of transparency and stakeholder involvement. Naidoo (2010:3) also reported that many schools do not have school policies that act as guidelines on how funds should be kept and utilised. They do not stick to the budget. The study by Rangongo (2011:2) revealed irregularities in audited statements, late submissions of monthly financial reports and chaos during parents' meetings when SGBs present financial reports.

#### *4.6.1.5 How did training in financial management improve effectiveness of SGBs?*

The training seemingly did not achieve the outcomes of improving the performance of the SGBs to be effective. The language used in training manuals and content was above the level of education of SGBs. According to Xaba (2011:206), low-education levels contribute to difficulties faced by SGBs in the policy development, formulation and implementation. As a result, SGBs rely on the principal and educators for the development and implementation of policies. Heystek (2004:51) highlighted that low-literacy levels and limited experience of financial management are serious challenges that inhibit effective financial management in schools. Naidoo (2010:7) concurs that financial governance is a challenge and that many schools lack a financial policy. Financial governance is an important skill that would improve performance of SGBs in the management of school funds. The training should be designed to address challenges encountered by the SGBs in managing school finances. The DoE has to ensure that facilitators are highly skilled and they should use a vernacular language in the training manuals to accommodate members who are illiterate.

## **CHAPTER 5: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

This chapter entails a summary of findings of this study and how they integrate with literature. It (chapter) also presents conclusions and recommendations of the study. The purpose of this study was to explore the effect of financial management training on task performance of selected school governing bodies in the Dutywa District, Eastern Cape Province. This chapter attempted to answer the primary question:

- Why are SGBs in selected public schools not effective in financial management, in JS Skenjana Circuit in the Dutywa District, Eastern Cape Province?

### **5.2 ANSWERS TO RESEARCH QUESTIONS**

This study attempted to answer the primary question:

- Why are SGBs in selected public schools not effective in financial management, in JS Skenjana Circuit in the Dutywa District, Eastern Cape Province?

From the findings presented, it emerged that only one school had SGBs that did fairly well in the management of school finances. The management of school finances in this school was sound and there was a good co-operation among SGB members. The decisions were taken collectively as reflected in the minute book. Members of the SGB seemed to understand the legislative framework, all financial management systems were in place. The school had a finance committee and procurement committee that played a leading role in the management of school finances. The finance policy and the school budget were formulated according to the legislative framework, although there were minor challenges that needed to be addressed. Both the SGB and finance committee meetings were conducted quarterly as stipulated in SASA and were

organised and orderly. The minutes were properly captured and attendance registers showed good attendance.

The SGBs in the three schools were experiencing serious problems that prevented them from managing their school finances effectively. Members of the SGB and finance committee did not understand their roles and responsibilities. Naidu (2003:4) points out that majority of the elected members of the SGB are not clear of what their respective roles and responsibilities involved. This is because they were not familiar with the ethos of education, they lacked participation skills and did not know how to contribute gainfully to school activities. Segwapa (2008) concurs that SGBs lack necessary skills and knowledge regarding roles and responsibilities.

In an attempt to answer the above primary question, the secondary questions were formulated.

#### **5.2.1 To what extent do SGBs understand their roles or functions with regards to financial management after the training?**

From the findings of interviews and focus group discussions, the members of the SGB are experiencing great difficulties in executing their roles and responsibilities. This is due to inadequate knowledge and skills. The low-literacy levels and language used in training manuals are major contributing factors. According to Xaba (2011:206), low-education levels contribute to difficulties faced by SGBs in the policy development, formulation and implementation. As a result, SGBs rely on the principal and educators in the development and implementation of policies.

Also, Van Wyk (2004) noted that educators, who are part of the SGB, felt that parents in the SGB lack confidence and are not sure of their duties. From the documents that were visited, there was an indication that the SGBs did not understand their roles and responsibilities; hence there was lack of monitoring and support. Mestry (2004:126)

highlights an important challenge facing SGBs, namely, lack of the necessary knowledge and skills for financial management, consequently, the inability to work out practical solutions to practical problems.

### **5.2.2 How do SGBs understand the legal framework regulating school finances after training?**

The members of the SGB in these schools did not understand the legislative framework correctly. Naidoo (2010:3) also reported that many schools do not have school policies that guide them on how funds should be kept and utilised. They do not stick to the budget. Absence of copies of legislation documents made it impossible for SGBs to refresh their memories regarding the roles and responsibilities. Immediate intervention is highly needed to eliminate financial malpractices.

Ndou (2012) and Xaba (2011) reported challenges in policy development, formulation and implementation by the SGBs. The SGBs lack knowledge of meeting procedures, since they are passive during meetings and can't properly manage their finances. The findings indicated transgression and non-compliance of legislative framework as confirmed by failure of schools to submit financial reports to the district office. Mncube (2007); Naidoo (2010) and Waghid (2003) noted that lack of interpretation and correct implementation of the SASA posed problems among principals and SGBs. Mestry (2004:126) concurs that lack of understanding of the SASA leading to misinterpretation.

Further, lack of understanding of SASA therefore leads to schools to be victims of mismanagement or misappropriation in the form of embezzlement, fraud and theft. Naidoo (2010:3) also reported that many schools do not have school policies, which is guiding them on how funds should be kept and utilised. They do not stick to the budget. Rangongo, et al. (2016) reported lack of control over cash receipts; receipt issuing and the banking of cash; lack of control over authorisation of payments and wrong requisitions; poor document control, inadequate filing systems and safe keeping

documents; budgets and financial statements that do not comply with policy requirements, inadequate monitoring of actual budget against budgeted expenditure.

### **5.2.3 What challenges do SGBs experience with regard to financial management after training?**

Most of the SGB members especially the finance committee were illiterate, therefore, this committee relied on the principals for interpretation and information sharing on financial documents. Studies conducted by Maile (2002) and Heystek (2004) revealed that one of the main problems experienced by SGBs is the high level of illiteracy among members. This makes it difficult to understand certain terminology, due to a lack of skills and knowledge on financial management. Since the enactment of SASA 21 years ago and despite the endeavours by the DoE to train the SGBs on the management of school finances, research revealed challenges faced by SGBs in executing their roles and responsibilities as prescribed in SASA (Chaka, 2005; Heystek, 2004; Makrwele, 2012; Mestry, 2004; Xaba, 2011).

### **5.2.4 To what extent do SGBs follow the correct procedures and guidelines in the utilisation of school finances after the training?**

SASA was the only legislation document the parents know, although they did not have understanding in its interpretation and implementation. Financial records and reporting systems were poorly managed and showed lack of monitoring. Findings indicated transgression and non-compliance of legislative framework, as confirmed by the failure of schools to submit financial reports to the district office. The fact that schools did not have policies on management of school finances is a clear indication that there were no procedures and guidelines followed in the utilisation of school funds.

There was lack of transparency and accountability by principals conducting inadequate procurement practices. This resulted in fraud and corruption, as principals chose service

providers of their own preference and influencing treasurers to sign cheques without proper procedures. Makrweide (2012) and Naidoo (2010) highlighted irregularities regarding expenditure and lack of appropriate evidence to support such expenditure. Van Wyk (2007:135) claims that the principal uses his/her professional power to influence SGB, hence treasurers, who are parents would simply sign cheques and do not work according to the budget. Rangongo et al. (2016) revealed the following:

- lack of control over cash receipts.
- receipt issuing and the banking of cash.
- lack of control over authorisation of payments and wrong requisitions.
- poor document control, inadequate filing systems and safekeeping documents.
- budgets and financial statements that do not comply with policy requirements.
- inadequate monitoring of actual budget against budgeted expenditure.

The study by Rangongo (2011:2) revealed irregularities in audited statements, late submissions of monthly financial reports and chaos during parents' meetings when SGBs present financial reports. The training provided by the DoE did not empower the SGBs adequately to perform their duties efficiently, due to use of unqualified trainers and inadequate training content.

#### **5.2.5 How did training in financial management improve the effectiveness of SGBs?**

Despite training interventions offered to SGBs by the DoE, still, there seem to be serious challenges in the manner in which they execute their roles and responsibilities. Further, there seems to be challenges in the manner in which they interpret and implement legislation and policies associated with the management of school funds.

From the findings, the training did not improve the effectiveness of the management of school finances. Findings from attendance registers and minute books revealed high

level of absenteeism among the parent component of SGBs. Hence, this made it difficult for SGBs to participate confidently in decision-making. Segwapa (2008:129) discovered that SGBs lack necessary skills and knowledge to execute their roles and responsibilities. The SGBs lack knowledge of meeting procedures, since they are passive in meetings and this affects their ability to manage school finances.

Mngoma (2009) and Van Wyk (2007) concur that there is lack of skills in decision making and leadership role among the parent component of the SGB. This encourages principals to take advantage of SGBs and take decisions unilaterally. There was a misuse of power by principals who have decisive influence by virtue of their position of authority (Waghid, 2003). Mahlangu (2008:184) discovered that developmental training of newly appointed SGBs was insufficient for them to perform their duties effectively and efficiently.

### **5.3 CONCLUSIONS OF THE STUDY**

The conclusion of this study is that SGBs in JS Skenjana circuit in the Dutywa District Eastern Cape Province do not have the capacity to perform their roles and responsibilities effectively, even though they have attended training offered by the DoE. Formulation of policies relevant to school finances is a serious challenge. SGBs are being used by the principals to sign cheques without proper procurement procedures. Whilst the DoE tried to empower the SGBs through training (i.e. using district officials), the execution of the roles is still a big challenge. The study discovered that training received by SGBs failed to equip members of the SGB with necessary skills and knowledge, which will assist them in managing school finances efficiently and effectively.

There is lack of monitoring and support by the DoE to assist the SGBs in achieving the goals of effective financial management. There is a dire need for effective training of SGBs to promote quality teaching and learning. SGBs are at the centre in the

management of school finances and therefore need to be capacitated. The use of poorly skilled facilitators and the inappropriate content of the training programme are some of the concerns that education authorities of the Eastern Cape Province should address.

#### **5.4 LIMITATIONS OF THE STUDY**

Not all schools in the JS Skenjana circuit participated in the study. The study was limited to 4 schools due to nature of the study being a qualitative case study. In that regard, the researcher wanted in-depth understanding of the experiences of the finance committee and the SGBs in managing school finances. The participants at the beginning felt withheld having a fear of disclosing information about their schools. Some members of the SGB saw the research process as a witch hunt, although the researcher explained clearly the purpose of the study. They had a misconception that the researcher was going to expose the functionality of their schools to the provincial department of education.

The researcher explained clearly to the participants about the research study and finally all participants were free and discussed their experiences openly. The timing of gathering data was not quite favourable, as data was collected in November. November is a very busy month for teachers, since there is writing of examinations and some educators went out for marking. Therefore, the researcher had to wait for them to come back before the interviews could be conducted. The findings of the study should therefore be interpreted in the light of the limitations above.

#### **5.5 RECOMMENDATIONS OF THE STUDY**

##### **Recommendation 1: Empowerment of the SGB**

From the evidence, the researcher suggested that empowerment of the SGBs should be a major priority by the DoE. Training by DoE should capacitate the SGBs with



sufficient knowledge and skills to improve their performance in managing school finances. Training needs to put more focus on the legal framework for the SGBs to understand their roles and responsibilities and to be able to implement legislation, policies and laws accordingly. As policymakers, SGBs need thorough training to be able to monitor implementation of the policies. The DoE must hire highly-skilled trainers and form partnership with Service Education Training Authorities (SETA). The DoE must always ensure that training has value for money. The DoE must form a partnership with institutions of higher learning so that the SGBs can receive more support. Training must be an ongoing activity.

The DoE should hire service providers that are accredited and have good credibility. Microwaving should be discontinued as this poses a threat to the functionality of the SGB. In-house training could be of great assistance, as participants will be learning at their pace and helping each other according to levels of education. The DoE should also develop a training plan that will outline all the objectives, dates, venues and participants of the training. Due to high volume of SGB in the Dutywa District, a limited number of participants should be invited to enable facilitation and effective participation.

## **Recommendation 2: Monitoring and support from the Department of Education**

The DoE has a huge responsibility of ensuring proper management of school finances. The DoE must visit schools regularly to give necessary support. Proper guidelines on the development of all policies related to the management of school finances must be offered. The DoE through circuit managers must convey meetings on a monthly basis to discuss financial matters in schools. The circuit managers must ensure that budget and procurement plans are followed accordingly to avoid fraud and misappropriation of funds. Schools must submit financial reports to circuit managers on a monthly basis and circuit managers must analyze monthly reports thoroughly, to identify discrepancies and provide support.

The DoE must ensure that there is a clear training plan and training is offered by trainers with expertise. Collaboration among the finance committee and the entire SGB will strengthen working relations and enhance effective finance management. In-house training is strongly recommended so that members of the SGB can share skills and knowledge in a less formal environment. Proper training for finance officers, treasurers and principals is highly encouraged, as these are the key role players in the daily activities of the finance management.

Road shows, regular meetings and twining of schools will promote effective management of finances. The DoE must employ administrative clerks in all schools to remove burden from educators (i.e. of being finance officers). The administrative clerks should be encouraged to register with higher institutions and study financial management.

The DoE must have a clear monitoring plan and intervention programme to assist schools that lack the capacity to manage school finances. On-going capacity building programmes must be initiated to enhance effective financial management. Constant monitoring and support will assist poor performing schools in the management of school finances. Schools must be made accountable for all expenditures and action must be taken against schools deviating from the SASA, regarding the management of school finances.

### **Recommendation 3: Record keeping and reporting**

Financial record keeping and reporting are vital elements of proper financial management. There was a lack of management on record keeping and reporting. The findings of the study suggest improper record keeping and reporting. Schools must be given itinerary for submission of reports and strict measures must be taken for schools that do not adhere to this itinerary. The DoE must work very closely with schools to

advise and give guidance on recording income and expenditure and how financial reports should be written.

#### **Recommendation 4: Procedures and guidelines in the utilisation of school finances**

The schools failed to follow the procurement processes. There were no systems in place to manage procurement process. Schools did not have procurement policies and procurement committees. The DoE must ensure that schools have procurement policies that will be followed when spending funds. There should be a database for all accredited service providers and clear guidelines on how rotation on the selection of service providers will take place should be available. The DoE must ensure that all schools request three quotations before procurement of goods. The schools must be closely monitored to save value for money.

#### **Recommendation 5: Collaboration, lack of transparency and openness in decision-making**

There was lack of collaboration, transparency and openness in some schools, especially by principals on procurement processes, hence this promotes corruption and fraud. The SGBs were reluctant to take decisions, due to lack of knowledge and intimidation by principals. The DoE must regularly do on-site support visits and monitoring to capacitate SGBs. In this manner it would give all the necessary support that will enable the SGBs to make decisions confidently. The DoE must establish SGB organisations as platforms that can discuss concerns around the functionality of SGBs. There should be forum meetings to discuss strengths, weaknesses, threats and opportunities to improve the functionality of SGBs. The DoE should hold conferences to motivate and strengthen the performance of SGBs.

## **5.6 SUGGESTIONS FOR FUTURE RESEARCH**

Policy formulation and procurement processes are still major concerns in the management of school finances. Further, research is needed regarding the role of SGBs and their involvement in the procurement processes and policy formulation at school level.

## **5.7 CONCLUSION**

In this chapter, conclusions are drawn on the findings and aligned with the research questions. Some schools are performing better in managing school finances, while others are dysfunctional. The study revealed that training that was offered to SGBs was inadequate in empowering SGBs in performing their duties effectively. The study tried to inform the DoE that more strategies and clear training programmes are needed to improve training offered to the SGBs. Continuous monitoring, evaluation and support from the DoE is a necessity for improving performance of the SGBs.

The study showed lack of understanding on the roles and responsibilities, lack of understanding on the regulatory legal framework for management of school finances and ineffectiveness of training to capacitate SGBs to be competent in performing their roles. The study suggests that the DoE has to review training manuals and training content to address the knowledge and skills deficit in SGBs in performing their roles and responsibilities. The DoE failed to achieve goals of SASA in ensuring that financial management training of SGBs enhances teaching and learning. The use of incompetent facilitators and trainers is a serious concern that needs urgent attention. Therefore, the DoE has a huge responsibility of ensuring that training of SGBs on financial management positively bring a transformed education system in the Eastern Cape Province.

## REFERENCES

- Adam, F & Waghid, J. 2005. *In defence of deliberative democracy: challenging less democratic school governing practices*. *South African Journal of Education*, 25(1): 25-33.
- Ahmad, A., Alkelabi, S. A. H. & Jehanzeb, K. 2012. *Role of learning theories in training while training the trainers*. *International Journal of Academic Research in Business and Social Sciences*, 2 (11):181-189.
- American Bar Association. Standing Committee on Legal Aid and Indigent Defendants. 2006. *Standards for the Provision of Civil Legal Aid*. American Bar Association.
- Ary, D., Jacobs, L. C. & Razavieh, A. 2006. *Introduction to research in education*. 7<sup>th</sup> ed. Belmont, CA: Thomson Wadsworth.
- Atkinson, P. & Hammersley, M. 1994. *Ethnography and participant observation*. In N.K. Denzin & Y.S. Lincoln (Eds) *Handbook of qualitative research*. pp 248-261 Thousand Oaks, California: Sage.
- Babbie, E. & Mouton, J. 2001. *The practice of social research*. South African ed. Cape Town: Oxford University Press.
- Banfield, P. & Kay, R. 2012. *Introduction to human resource management*. 2<sup>nd</sup> ed. New York: Oxford University Press Inc.
- Bapela, J. T. 2012. *The efficacy of school governing bodies in the governance of school finances in Tsimanyane circuit Limpopo province*. Masters in Public Administration. Turfloop Graduate School of Leadership. Limpopo: University of Limpopo.

- Baruth, G.D. 2013. *Exploring the experiences and challenges faced by school governing bodies in secondary schools in the province of KwaZulu Natal*. Pretoria: The University of South Africa.
- Behr, A. L. 1978. *New perspectives in South African education*. Durban. South Africa: Butterworths.
- Bernard, H. R. 2013. *Social research method: qualitative and quantitative approaches*. 2<sup>nd</sup> ed. Los Angeles: Sage.
- Bischoff, T. & Mestry, R. 2003. *Financial school management explained*. 2<sup>nd</sup> ed. Cape Town: Pearson Education South Africa (Pty) Ltd.
- Blanchard, P. N. 2013. *Effective training: systems, strategies and practices*. 5<sup>th</sup> ed. Harlow: Pearson Education.
- Blanche, M. T. Durrheim, K. & Painter, D. 2006. *Research in practice: applied methods for the social sciences*. 2<sup>nd</sup> ed. Cape Town: UCT Press.
- Blandford, S. 1997. *Resource management in schools*. London: Pitman Publishing.
- Block, S. B., Hirt, G. A. & Danielsen, B. R. 2009. *Foundations of financial management*. Boston: McGraw Hill Irwin.
- Bloomberg, L. D. & Volpe, M. 2012. *Completing your qualitative dissertation: a road map from beginning to end*. 2<sup>nd</sup> ed. London, Thousand Oaks CA: Sage.
- Blumberg, B., Cooper, D. R. & Schindler, P. S. 2005. *Business research methods*. Maidenhead: McGraw- Hill Education.

- Bogdan, R. C. & Biklen, S. K. 2003. *Qualitative research for education: an introduction to theory and methods*. 4<sup>th</sup> ed. Boston: Allyn and Bacon.
- Botha, R. J., Marishane, R. N., van der Merwe, H. M., van Zyl & Zengele, V. T. 2013. *The effective management of a school*. 1<sup>st</sup> ed. Pretoria: Van Schaik Publishers.
- Bowen, G. A. 2009. *Document analysis as a qualitative research method*. *Qualitative Research Journal*, 9(2): 27-40.
- Boyatzis, R. E. 1998. *Transforming qualitative information: thematic analysis and code development*. Thousand Oaks, CA: Sage.
- Braun, V. & Clarke, V. 2006. *Using thematic analysis in psychology*. *Qualitative Research in Psychology*, 3(2) : 77-101.
- Breakwell, G. M., Hammond, S. & Fife-Shaw, C. 1995. *Research methods in psychology*. London: Sage.
- Brown, D. J. 1991. *Decentralisation. the administrator's guide book to district change*. Newburg Park. California: Cowan Press, Inc.
- Bryman, A. 2012. *Social Research Methods*. 4<sup>th</sup> ed. New York : Oxford University Press Inc.
- Bush, T. & Heystek, J. 2003. *School governance in the new South Africa*. *Compare*, 33 (2): 137-138.
- Caldwell, B. J. & Spinks, J.M. 1988. *The self-managing school*. East Sussex: The Falmer Press.

- Carrim, M. 2001. *Democratic participation, decentralization and educational reform*, in J. Chaka T 2005. *SASA functions are proving too much for poorer, less educated school governing bodies*. Paper presented at the conference on School Governance organised by the Department of Education, 24-26 February, Isando.
- D Jansen & Y Sayed (Eds), *Implementing educational policies*. The South African Experience. Cape Town: University Press.
- Chaka, T. 2005. *SASA functions are proving too much for poorer, less educated school governing bodies*. Paper presented at the conference on School Governance organised by the Department of Education, 24-26 February, Isando.
- Chaka, T. 2008. *School governance: issues in education policy No. 2*. Johannesburg: Centre for Education Policy Development.
- Chowdhury, M. S. & College, M. 2006. *Human behavior in the context of training: an overview of the role of learning theories as applied to training and development*. *Journal of Knowledge Management Practice*, 7(2) : 1-7.
- CIPD. 2005. *Learning styles, factsheet*. London: Chartered Institute of Personnel and Development.
- Clarke, A. 2012. *The handbook for school governors*. 2<sup>nd</sup> ed. Cape Town. South Africa: Kate McCallum.
- Coghlan, D. & Brannick, T. 2010. *Doing research in your own organization*. 3<sup>rd</sup> ed. London : Sage.
- Cohen, L., Manion, L. & Morrison, K. 2007. *Research methods in Education*. 6th Edition. London: Routledge/Falmer.



- Collis, J. & Hussey, R. (2009). *Business Research: A Practical Guide for Undergraduate & Postgraduate Students*. 3rd ed., London: Palgrave Macmillan.
- Corbin, J. & Strauss, A. 2008. *Basics of qualitative research: techniques for developing grounded theory*. 3<sup>rd</sup> ed. Los Angeles, California: Sage.
- Cornwall, A. & Jewkes, R. 2010. *What is participatory research?* Social science & medicine ,70 (5): 794.
- Corruption Watch. 2012. *Survey Corruption in schools on the rise*. 30 September. Available at <http://www.corruptionwatch.org.za/survey-corruption-in-schools-on-the-rise/>. Accessed 7 August 2016.
- Creswell, J. W. 2013. *Research design: qualitative, quantitative, and mixed methods approach*. 3<sup>rd</sup> ed. Los Angeles, California: Sage.
- Creswell, J.W. 2014. *Research design: qualitative, quantitative, and mixed methods approach*. 4<sup>th</sup> ed. Thousand Oaks: Sage.
- Creswell, J. W., Clark, V., Gutmann, M. & Hanson, W. 2003. *Advances in mixed methods design* in A. Tshakokori & C Teddie (Eds), *Handbook of Mixed Methods in Social and Behavioural Sciences*. Thousand Oaks, California: Sage.
- Dash, N.K. 2005. *Selection of the Research Paradigm and Methodology*. Indira Gandhi National Open University. New Dehli.
- DeCenzo, D. A. & Robbins, S. P. 2010. *Human resource management*. 10<sup>th</sup> ed. Asia: John Wiley & Sons Inc.

Deetz, S. 1996. Describing Differences in Approaches to Organization Science: Rethinking Burrell and Morgan and Their Legacy. *Organization Science*, Vol 7(2) : 191-207. Department of Communications . New Jersey. Sage.

Dekker, E.I. & Lemmer, E.M. 1995. *Critical issues in modern education*. Durban: Butterworths Publishers (Pty) Ltd.

Dekker, E. & Van Schalkwyk, O. J. 1995. *Modern education systems*. Cape Town: Butterworth.

Denzin, N. K., and Lincoln, Y. (eds). 1994. *Handbook of qualitative research*. Thousand Oaks, CA: Sage.

Department of Education. 1995. *White paper 1 on education and training*. Notice no 196 of 1995. Education and Training in a Democratic South Africa. Pretoria: Department of Education.

Department of Education. 1995. *Report of the committee to review the organization: governance and funding of schools*. Pretoria: Department of Education.

Department of Education. 1996. *White paper 2- Notice no 130 of 1996. The organisation, governance and funding of schools*. Pretoria: Department of Education.

Department of Education. 1997. *First steps. School governance starter pack. A resource for school governing body members*. Pretoria: Department of Education.

Department of Education. 1998. *National norms and standards for school funding*. Pretoria: Department of Education.

Department of Education. 1999. *Basic Financial Management for School Training Manual*. Pretoria: Department of Education.

Department of Education. 2004. *National guidelines on how to manage school records*. Volume 1 School Governing Bodies. *Education governance and development*. Pretoria; Department of Education.

Department of Education. 2004. *Review of school governance: South African public schools*. Report of the Ministerial Review Committee on School Governance, 2004. Pretoria: Department of Education.

Department of Education. 2008. *Fiscal management activity funds: Victoria*. Kentucky Schools.

Department of Education. 2009. *Provincial circular no 17/P dated 08 December*. Limpopo Province. Government Printer.

Department of Education. 2011. *Revised prescripts for the management of school funds in public schools: national norms and standards for school funding*. Limpopo Province: Government Printer.

Department of Education and Early Childhood Development. 2011. *Finance manual for Victorian government schools*. Department of Training and Early Child Development, Melbourne: Communications Division for Financial Services Division.

Department of Education and Training. 2016. *A guide to budget management in Victorian government schools*. Department of Training, Melbourne: Communications Division for Financial Services Division.

Dessler, G. 2014. *Fundamentals of human resource management*. 3<sup>rd</sup> ed. New Jersey, United States: Pearson Education.

De Vos, A. S. 1998 . *Research at grassroots*. Pretoria: Van Schaik.

De Vos, A.S. 2000 . *Combined quantitative and qualitative approach*. In: De Vos A S *Research at grass Roots: a primer for the caring profession*. Pretoria: van Schaik. De Vos, A.S. 2002. *Research at grass roots*. Pretoria:J.L. van schaik Publishers.

DeVos, A.S. 2005 . *Research at grassroots: a primer for the caring profession*. Pretoria: Van Schaik.

Du Plooy-Cilliers, F., Davis, C. & Bezuidenhout, R. M. 2014. *Research matters*.1<sup>st</sup> ed. Cape Town: Juta & company Ltd.

Erasmus, B.J., Leodolff, P. V. Z., Mda, T. V. & Nel, P. S. 2013. *Managing training and development*. 6<sup>th</sup> ed. Cape Town: Oxford University Press Southern Africa (Pty) Ltd.

Ertner, P. A. & Newby, T. J. 1993. *Behaviorism, cognitivism, constructivism: Comparing critical features from an instructional design perspective*. Performance Improvement quarterly, 6(4): 50-70.

Erzberger, C. & Prein, G.1997. *Triangulation, validity and empirically based hypothesis construction*. Quality and Quantity, 31(2) : 141-154.

- Gamage, D. T. & Hansson, P. 2008. *A study of professional development of Swedish school leaders and their view of how it needs to be navigated. Worlds Studies Educational Journal*, 9(1):55-72 Getting the basics right. [Web:] [www.mango.org.uk](http://www.mango.org.uk). Retrieved: 2007/07/22.
- Gauteng Department of Education. 1997. *Regulations regulating to governing bodies of public schools*. The Province of Gauteng Provincial Gazette Notice 786 of 1997.
- Gay, L.R. & Airasian, P. 2008. *Educational Research : Competencies for analysis & applications*. New Jersey : Merrill Prentice Hall.
- Gibbs, G. R. 2010. *Qualitative research methods. adata collector field guide. school of human & health sciences*. Huddersfield:University of Huddersfield.
- Gray, D. E. 2009. *Doing research in the real world*. 2<sup>nd</sup> ed. London, Thousand Oaks CA: Sage.
- Gray, D. E. 2014. *Doing research in the real world*. 3<sup>rd</sup> ed. London,Thousand Oaks, CA: Sage.
- Guba, E.G. 1990. *The alternative paradigm dialog*. In Guba E.G (ed) *The paradigm dialog* (pp.170-30). Newbury Park, CA. Sage.
- Harber, C. 2001. *Schooling and violence in South Africa: creating a safer school. intercultural education*, 12(3) : 261-271.
- Hartshorne, K. 1992. *Crisis and challenge: black education*. Cape Town: Oxford University Press.

- Henning, E., Van Rensburg, W. & Smit, B. 2004. *Finding your way in qualitative research*. Pretoria: Van Schaik Publishers.
- Hennink, M., Hutter, I. & Bailey, A. 2011. *Qualitative research methods*. Los Angeles, California, London: Sage.
- Heritage, J., 1987. *Garfinkel and Ethnomethodology*. Cambridge : Polity.
- Heystek, J. & Louw, E.M.1999. *Parental participation in school activities : is it sufficient?* *South African Journal*, 19 : 21-28.
- Heystek, J. & Paquette, J. 1999. *Educational governance in South Africa and Canada: changing frameworks for decision-making and participation*. *Education and Law*. 9 (1) : 85-211.
- Heystek, J. 2004. *School governing bodies – the principal’s burden or the light of his/her life?* *South African Journal of Education*, 24 (4): 308-312.
- Heystek, J. 2006. *School governing bodies in South Africa: Relationships between Training of school governors 399 principals and parent governors, a question of trust?* *Educational Management Administration and Leadership*. 34: 473-486.
- Hunter, A.P. 1995. *Report of the committee to review the organisation, governance and funding of schools*. Pretoria: Department of Education.
- Hyslop, J. 1989. *School boards, school committees, and educational politics. Holding their culture: class culture of the 19th and 20th century*. South Africa. Johannesburg: Ravan Press.

- Johnson, A. P. 2012. *A short guide to action research*. 4<sup>th</sup> ed. USA: Pearson Education Inc.
- Johnson, B. & Christensen, L. 2012. *Educational research: Quantitative, qualitative and mixed approaches*. 4<sup>th</sup> ed. Thousand Oaks, CA: Sage.
- Johnson, R. B., Onwuegbuzie, A J & Turner, L.A. 2007. *Toward a definition of mixed methods research*. *Journal of Mixed Methods Research*, 1(2) : 112-133.
- Jonker, A., Niekerk, D. & Van der Walddt. 2001. *Governance, politics and policy in South Africa*. Cape Town: Oxford University Press.
- Joubert, R. & Bray, E. 2007. *Public school governance*. Pretoria: CELP.
- Joubert, R. & Prinsloo, S. 2009. *The law of education in South Africa*. Pretoria: Van Schaik.
- Joubert, R. 2011. *School governance in South Africa: linking policy and praxis*. Pretoria: University of Pretoria.
- Kaarlson, J., McPherson, G. & Pampallis, J. 1999. *A critical examination of the development of the school governance policy and its implications for achieving equity*. Paper presented at Kenton Conference, Salt Rock, Durban, South Africa.
- Kaarlson, J. 2002. *The role of democratic governing bodies in South African Schools*. *Comparative Education*, 38(3):327-336.
- Khuzwayo, Q. O. 2009. *The role of parent governors in school financial management decisions-making: experiences of parent governors in Ndwendwe Rural Schools*.

Masters of Education in Educational Leadership, Management and Policy.  
University of Kwazulu- Natal: Edgewood Campus, Durban. South Africa.

Kirkpatrick, D. L. 2006. *Evaluating training programs:the four levels*. 3<sup>rd</sup> ed. St  
Fransisco, CA: Berret-Koehler.

Kuhn, K. 1962. *The structure of scientific revolutions*. Chigaco Uni. Chicago Press.

Kumar, R. 2011. *Research methodology: a step—step guide for beginners*. 3<sup>rd</sup> ed.  
London, Thousand Oaks CA: Sage.

Lamola, M. J. 1996. *A case study of school governance*. Johannesburg: Witwatersrand.

Le Roux, E. E.1999. *Business management:a practical & interactive approach*.  
*Sandton*: Heinemann.

Lea, J. 1993. *The responsible governor:a self-study guide for governors of primary and  
secondary schools*. Lancaster: Framework Press Educational Publishers Ltd.

Leedy, P.D. & Omrod, J.E. 2001. *Practical research: planning and design*. New Jersey:  
Pearson Education.

Leedy, P. D. & Omrod, J. E. 2010. *Practical research: planning and design*. New Jersey:  
Pearson.

Leedy, P. D. & Ormrod, J. E. 2013. *Practical research: planning and design*, 10  
[international] ed. Boston, Mass: Pearson.

Lekalala, T. 2006. *Problems experienced by school governing bodies in the execution of  
their financial management tasks*. Pretoria: Unisa.



- Lemmer, E. & Van Wyk, N. 2004. *Schools reaching out: comprehensive parent involvement in South African schools*. African Review, 1(2) : 259-279.
- Lewis, T. 2003. *Course handbook: practical financial management for NGOs*, 10(3) : 19-22.
- Liamputtong , P. & Ezzy, D. 2005. *Quarterly Research Methods*. Australia : Oxford University Press.
- Lincoln, Y. S., and Guba, E.G. 1985. *Naturalistic inquiry*. Newbury Park, CA: Sage Publishers.
- Longhurst, R. 2003. *Key methods in geography*. 2<sup>nd</sup> ed. Thousand Oaks, California: Sage.
- Looyen, R. 2000. *Cooperative school governance: from policy to practice*. Unpublished Master's thesis. Pretoria: University of South Africa.
- Mabasa, T. & Themane, J. 2002. *Stakeholder participation in school governance in schools*. *Perspectives in Education*, 20(3) : 111-115.
- Mahlangu, R. 2008. *The effective functioning of a school governing body: a case study in selected schools*. Master of Education. Pretoria: University of South Africa.
- Maile, S. 2002. *Accountability: an essential aspect of school governance*. *South African Journal of Education*, (22) 4: 326-331.
- Makrwede, F. 2012. *Investigating gaps in the application of financial management systems by schools receiving section 21 funding: a case study for Mthatha*

- education district schools -Eastern Cape Province*. Master of Public Administration. Stellenbosch: Stellenbosch University.
- Maluleka, J. S. 2008. *The capacity of school governing bodies in rural schools in the Moretele district in the Nkangala region*. Master of Education. Pretoria: University of South Africa.
- Maree, K., (ed). 2007. *First steps in research*. Pretoria: Van Schaik.
- Marishane, R. N. 1999. *Partnerships in school governance: a foundation for reform and restructuring*. Unpublished MEd dissertation. Pretoria: University of South Africa.
- Maritz, M. 2005. *Financial management*. Handbook for CBOs. Pretoria: IDASA.
- Mashele, M.E. 2009. *Strategies to build the governance capacity of school governing bodies in previously disadvantaged communities*. Master of Education. Pretoria: University of South Africa.
- Masheula, N.M. 2003. *The changing leadership role of the school principal in the participatory decision-making milieu*. Masters of Education. Pretoria: University of South Africa.
- Mc Lennan, A. 1996. *Education management development in South Africa: trends and frameworks*. International Conference on Education Management Development. Wilderness, Western Cape South Africa. 18-20 September.
- McLeod, J. 2001. *Qualitative research in counselling and psychotherapy*. London: Sage.
- McMillan, J. H. & Schumacher, S. 1993. *Research in education: a conceptual introduction*. 3<sup>rd</sup> ed. New York: Longman.

- McMillan, J.H., & Schumacher, S. 2001. *Research in Education. A conceptual introduction*. 5<sup>th</sup> ed. London: Longman.
- McMillan, J. H. & Schumacher, S. 2006. *Research in education: a conceptual introduction*. 6<sup>th</sup> ed. New York: Longman.
- McNiff, J. 2006. *Action research for professional development: Concise advice for new action researchers*. <<http://www.Jeanmcniff.com/>> [Accessed 20 February 2012].
- McPherson, G. 2000. Governance in public schools: Four case studies. *Education Monitor*, 11: 1-8.
- Merriam, B. S. 1988. *Case study in education: a qualitative approach*. San Francisco: Jossey Bass Publishers.
- Mestry, R. 2004. *Financial accountability: the principal or the school governing body*. *South African Journal of Education*, 24(2): 126 –132.
- Mestry, R. 2006. *The functions of SGB in managing school finances*. *South African Journal of Education*., 24 (1) : 27-28.
- Mncube, V. 2007. *Social justice, policy and parents' understanding of their voice in school governing bodies in South Africa*, *Journal of Educational Administration and History*, 9 (2) : 129-143.
- Mngoma, S. S I. 2009. *Decentralized financial management in South African schools: an examination of implementation by selected primary and secondary schools in the Kwa Ndengezi area of KwaZulu-Natal*. Master of Education. The University of KwaZulu-Natal.

- Morhman, S. A. Wohlstetter, P. & Associates. 1994. *School-Based Management: Organizing for High Performance*. San Francisco: Jossey-Bass.
- Mouton, J. 1996. *Understanding social research*. Pretoria : Van Schaik.
- Mpunza, G. 2015. *Challenges of school governance: a case study of a secondary school in Gauteng*. Master of Management in the field of Public and Development Management at the University of the Witwatersrand, Johannesburg: University of Witwatersrand.
- Naidoo, B. 2010. *Financial management in selected public primary schools in Gauteng*. Master of Education. Pretoria: University of South Africa.
- Naidoo, J. P. 2005. *Educational decentralisation and school governance in South Africa: from policy to practice*. International Institute for Educational Planning. Paris: UNESCO.
- Naidu, D. 2003. *Viability of SGB'S questioned*. Leader, 25 April.
- Ndou, N. 2012. *Challenges facing school governing bodies in the implementation of finance policies in the Vhembe district*. Master of Education. Pretoria: University of South Africa.
- Neuman, L. W. 2006. *Social research methods: quantitative and qualitative approaches*. 6<sup>th</sup> ed. USA: Pearson.
- Ngubane, D. L. 2009. *An investigation of financial accountability in schools*. Master of Education. Potchefstroom: North West University.

- Nieuwenhuis, F. J. 2001. *Management of educational institutions*. IV. Study guide. MEI4M2-E. South Africa: Unisa.
- Nkosana, M. M. 2003. *Restructuring school governance: the challenging leadership role of the principal in a democratic Decision-making milieu*. Pretoria: University of South Africa.
- Nong, V. N. 2007. *The role of school governing bodies in the effective governance of schools in the Klerksdorp district: a public administration perspective*. Master of Development and Management. Potchefstroom: North-West University.
- Nyambi, M. M. 2004. *The contribution of school governing bodies in section twenty-one rural schools*. (M. Ed dissertation). Pretoria: University of Pretoria.
- Nzimande, B. 1993. *Civil society and the role of the national education coordinating committee*. In: Education Policy Unit (Natal) papers. Retrieved 13 March 2012, from <http://www.education.gov.za>.
- Patton, M. Q. 1989. *How to use qualitative methods in evaluation*. 2<sup>nd</sup> ed. Newbury Park .CA : Sage.
- Patton, M. Q. 2002. *Qualitative evaluation and research methods*. 3<sup>rd</sup> ed. CA : Sage.
- Perkins, C. 2017. *What Constitute a quorum to conduct business at the meeting?* Hearst newspaper, LLC.
- Piek, G.C. 1991. *School Management 1*. Cape Town: Maskew Miller Longman.

- Potgieter, J. M, Visser, P. J, Van der Bank, A .J, Mothata, M. S , Squelch, J. M & 1997. *Understanding the SA school act*. What public school governors need to know  
Pretoria: Department of Education.
- Pretorius, F. & Lemmer, E. 1998. *South African education and training : transition in a democratic era*. Randburg: Hodder & Stoughton.
- Public Service Commission, Republic of South Africa. 2011. *Profiling and analysis of most common manifestations of corruption and its related risks in the public service*. Pretoria: Silowa Printers.
- Quan-Baffour, K. P. 2006. *The role of school governing bodies in improving school performance in the Taung rural areas* (M. Ed. dissertation). Pretoria: Unisa.
- Rangongo, P. N. 2011. *The functionality of school governing bodies with regard to the management of finances in public primary schools*. Master of Education. Pretoria: University of Pretoria.
- Rangongo, P. N., Beckmann, J. & Mohlakwana, M. 2016. *Causes of financial mismanagement in South African public schools: the views of role players*. *South African Journal of Education*, 36(3) : 1-10.
- Republic of South Africa. 1958. *Bantu education act*. Cape Town: Government Printers.
- Republic of South Africa .1996. *South African schools Act no 84 of 1996*, Pretoria: Government Gazette.
- Republic of South Africa. 1996. *Constitution of the Republic of South Africa, Act No. 108*. Government Gazette, vol. 378, no.17678. Pretoria: Government Printers.

- Republic of South Africa .1999. *Public Finance Management Act*, Pretoria: Government Gazette.
- Rubin, A. & Babbie , R. 2010. *Research methods for social work*. Cengage Learning. Sage.
- Sackney, L. E. & Dibski, D. J. 1994. *School-based management: acritical perspective*.
- Sayed, Y. & Carimm, N. 1997. *Democracy, participation and equity in educational governance*. *South African Journal of Education*, 17 (3) : 91-100.
- Saunders, M., Lewis, P. & Thornhill, A. 2000. *Research methods for business students*. 2<sup>nd</sup> ed. Harlow : Prentice Hall Financial Times.
- Saunders, M., Lewis, P & Thornhill, A. 2007. *Research methods for business students*. 4<sup>th</sup> ed. Harlow : Prentice Hall Financial Times.
- Schulze, S. 2002. *Research methodology*. Study Guide 2 for MEDEM2. R. Pretoria: The University of South Africa.
- Segwapa, M. P. 2008. *Assessing the performance of school governing bodies of selected farm schools in Limpopo Province*. Pretoria: Unisa.
- Seroto, J. 2004. *The impact of South African legislation (1948-2004) on black education in rural areas: a historical education perspective*. Pretoria: University of South Africa.
- Shillote, N. C. 2000. *An exploration of community engagement in rural northern province schools*. Master of Education. Johannesburg: Rand Afrikaans University.

- Siedman, I. 2013. *Interviewing as qualitative research: a guide for researchers in education and the social sciences*. 4<sup>th</sup> ed. New York: Teachers College Press.
- Silverman, D. 2011. *Interpreting qualitative data*. 4<sup>th</sup> ed. Thousand Oaks: Sage.
- Simkins, T., Elison, L. & Garret, V. 1992. *The early lessons*. Harlow: Longman.
- Simons, H. 2009. *Case study research in practice*. London: Sage.
- Sithole, S. 1994. *Parent-teacher-student associations (PTSAs): present state and future prospects*. In Education Policy Unit (Natal) Ed. Democratic Governance of Public Schooling in South Africa. 39-49 Durban. South Africa: University of Natal, Education Policy Unit.
- Soga, N. N. 2004. *Self-managing schools in Gauteng: challenges and opportunities for school-based managers*. Pretoria: University of South Africa.
- Soudien, C. 2003. Class control: *The school governance challenges in South Africa*. id21 Insights [On-line]. Available: IssueEducation#2.  
[http:// www.id21.org/insights/insights-ed02/insights-issued02-art02.html](http://www.id21.org/insights/insights-ed02/insights-issued02-art02.html).
- Squelch, J. & Lemmer, E. 1994. *Eight keys to effective school management in South Africa*. Durban: Southern Book Publishers (Pty) Ltd.
- Squelch, J. M. 2000. *Governance of education, in Contemporary education: global issues and trends*. Edited by E. Lemmer. Sandton: Heinemann.
- Tashakkori, A. & Teddie, C. 2009. *Foundations of mixed methods research: integrating quantitative and qualitative approaches in the social and behavioral sciences*.



- Tilky, L. 1997. *Changing South African schools? an analysis and critique of post-election policy*. *Journal of Education Policy*, 12(3): 177-188.
- Thurlow, M. & Mc Lennan, A. 2003. *The context of education management in South Africa*, in Thurlow M, Bush, T & Colman, M. eds. *Leadership and strategic management in South African Schools*. London: The Commonwealth Secretariat.
- Thwala, S. M. 2010. *The management of "no fee" schools in Mpumalanga: a case study of selected secondary schools*. Master of Education. Pretoria: University of South Africa.
- Tsotetsi, S. M., Lemmer, E. & Van Wyk, N . 2008. *The experience of and need for training of school governors in rural schools in South Africa*. *South African Journal of Education*, 28(3): 385-400.
- Trochim, W.M.K. & Donnelly, J. 2007. *The Research Methods Knowledge Base*. 3<sup>rd</sup> ed. Mason : OH , Thomson Custom Publishing.
- Tulloch, S. 1993. *The readers digest*. Oxford Wordfinder. London: Clarendon Press. Oxford University.
- Valadez, J.J., & Bamberger , M. 1994. *Monitoring and Evaluating Social Programs in . Developing countries: A handbook for policymakers, managers and researchers* [English]. World Bank Group. Washington D.C. : World Bank.
- Van de Wadlt, G. & Du Toit, D. F. P. 1997. *Managing for excellence in the public sector*. Cape Town. Juta & Co.
- Van der Westhuizen, P. C.1995. *Effective educational management*. Pretoria: Haum Tertiary.

- Van Rooyen, J. 2007. *Financial management in public schools* (in Joubert, R & Bray, E, (eds.) Public school governance in South Africa). Pretoria: CELP.
- Van Rooyen, J. & Rossouw, J. P. 2007. *School governance and management: Background/concepts* (in Joubert, R & Gray, E. (eds.). Public school governance in South Africa). Pretoria: CELP.
- Van Schalkwyk, O. J. 1990. *The education system theory*. 2<sup>nd</sup> ed. Pretoria: Alkanto.
- Van Wyk, N. 2004. *School governing bodies: the experience of South African educators*. *South African Journal of Education*, 24(1):49-54.
- Van Wyk, N. 2007, *The rights and roles of parents on school governing bodies in South Africa*. *International Journal about parents in Education*, 1(0): 132-139.
- Waghid, Y. 2003. *Democratic education: policy and praxis*. Stellenbosch: Stellenbosch University Press.
- Walsham, G. 1993. *Interpretivism : in is research : past, present and future*. Cambridge : Judge Institute of management of studies.
- Walters, J. & Richardson, C. 1997. *Governing schools through policy. (A blueprint for creative governance)*. Cambridge. Lemons and Crane.
- Watkins, P. 1991. *Devolving educational administration in Victoria: tensions in the role and selection of principals*. *Journal of Educational Administration*, 29(1): 23-27.
- Webster, A. M. 1977. *Webster,s student dictionary*. New York: George and Charles Merriam Company.

- Western Cape Education Department. 2013. *Basic financial system for schools*. Cape Town: Provincial Government of Western Cape.
- Williams, R. C, Harold, B, Robertson J & South-worth, G. 1997. *Sweeping decentralisation of educational decision-making authority: lessons from England and New Zealand*, 78(1): 626-631.
- Willis , K . 1995 . <https://doi.org/10.1002/j.1839-4655.1995.tb01036.x>.
- Wolfendale, S. 2000. *Effective schools for the future: incorporating the parental and family dimension in the contribution of parents to school effectiveness*. London: David Falton.
- Wyllie, C. & King, J. 2004. *How do effective schools manage their finances?* New Zealand Council for Educational Research. Wellington: New Zealand.
- Xaba, M. I. 2004. *Governors or watchdogs? the role of educators in school governing bodies*. *South African Journal of Education*, 24 (4): 313- 316.
- Xaba, M. I. 2011. *The possible cause of school governance challenges in South Africa*. *South African Journal of Education*, 31(2) : 201-211.
- Yin, R. K. 2009. *Case study research: design and methods*. 4<sup>th</sup> ed. Thousand Oaks, California: Sage.

## APPENDICES

### APPENDIX A: UNIVERSITY ETHICAL CLEARANCE



#### DEPARTMENT OF HUMAN RESOURCE MANAGEMENT RESEARCH, ETHICS AND INNOVATION COMMITTEE

22 September 2015

Dear Dumaza Nqata

**Decision: Ethics Approval**

Ref #: 2015\_HRM\_001

Name of applicant: D Nqata

Student #: 6859798

**Name:** Miss Dumaza Nqata, [6859798@mylife.unisa.ac.za, 0824565614]

**Name of Supervisor:** Dr. Tshilongomlenzhe [tshilmc@unisa.ac.za; 012 429 3724]

**Proposal:** The effect of financial management training on task performance of SGBs in the Eastern Cape Province.

**Qualification:** M.Com Business Management (with specialisation in Human Resource Management)

Thank you for the application for research ethics clearance to the Department of Human Resource Management Research, Ethics and Innovation Committee for the above mentioned research. Final approval is granted for the duration of the project.

**Full approval:** The revised application was reviewed in compliance with the Unisa Policy on Research Ethics by the Department of Human Resource Management Research, Ethics and Innovation Committee on 21 September 2015 and full approval for the project is granted.

The proposed research may now commence with the proviso that:

- 1) The researcher/s will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
- 2) Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study, as well as changes in the methodology, should be communicated in writing to the Department of Human Resource Management Research, Ethics and Innovation Committee. An amended application could be requested if there are substantial changes from the existing proposal, especially if those changes affect any of the study-related risks for the research participants.
- 3) The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study.

Note:


The reference number [top right corner of this communiqué] should be clearly indicated on all forms of



University of South Africa  
Preller Street, Muckleneuk Ridge, City of Tshwane  
PO Box 392 UNISA 0003 South Africa  
Telephone: +27 12 429 3111 Facsimile: +27 12 429 4150  
www.unisa.ac.za

communication [e.g. Webmail, E-mail messages, letters] with the intended research participants, as well as with the Department of Human Resource Management Research, Ethics and Innovation Committee.

Kind regards,



Prof I Potgieter

Chairperson

012 429 3723/ visseil@unisa.ac.za



Prof RT Mphahlele

Acting Executive Dean

College of Economic and Management Sciences

## APPENDIX B: REQUEST LETTER FOR DATA COLLECTION TO PROVINCIAL GOVERNMENT



Province of the EASTERN CAPE  
DEPARTMENT OF EDUCATION  
Private Bag X 1203  
Dutywa  
5000  
REPUBLIC OF SOUTH AFRICA

DATE: 22 JULY 2014  
TO: DISTRICT DIRECTOR  
FROM: D NQATA  
SUBJECT: REQUEST TO CONDUCT RESEARCH STUDY

Dear Sir/ Madam

I hereby request permission to conduct interviews on School Governing Bodies on Financial Management. I am currently doing a research study on the **Effect of financial management training on task performance of SGBs in the Eastern Cape Province** with UNISA. I have selected JS Skenjana circuit and Inkqubela circuit. The study will benefit both the SGBs and the department such that SGBs can be able to manage school finances efficiently as mandated by SASA.

Thank you

Yours Faithfully

D Nqata

---

## APPENDIX C: PERMISSION TO COLLECT DATA FROM PROVINCIAL GOVERNMENT

### PERMISSION TO COLLECT DATA FROM PROVINCIAL GOVERNMENT



Province of the  
**EASTERN CAPE**  
Education

**DISTRICT DIRECTOR**

**PUBLIC WORKS PREMISES, 419 RAILWAY STREET. Private BAG X1203 DUTYWA, 5000**

**REPUBLIC OF SOUTH AFRICA, Website: [www.ecdoe.gov.za](http://www.ecdoe.gov.za).**

**Email: [feluna.madaka@edu.ecprov.gov.za](mailto:feluna.madaka@edu.ecprov.gov.za)/mdwangu@edu.ecprov.gov.za**

**Ref. No28/07/2014**

**Enquiries: A.M.Dwangu**

**Tel. No. 047-4892247**

**Fax. No. 047-4891028**

#### TO WHOM IT MAY CONCERN

Consent is hereby granted for Dumaza Nqata to conduct the research study at JS Skenjana Circuit and Nkqubela Circuit under the auspices of UNISA.

Yours truly

  
A.M. Dwangu



building blocks for growth



*Isimva eliqinambileyo!*

**APPENDIX D: REQUEST LETTER FOR DATA COLLECTION FROM DEPARTMENT  
OF EDUCATION**



**PROVINCE OF THE EASTERN CAPE  
DEPARTMENT OF EDUCATION  
Private Bag X 1203  
Dutywa  
5000  
REPUBLIC OF SOUTH AFRICA**

**DATE: 03 SEPTEMBER 2014**  
**TO: CIRCUIT MANAGER**  
**FROM: D Nqata**  
**SUBJECT: REQUEST TO CONDUCT RESEARCH STUDY**

Dear Sir

I hereby request permission to conduct interviews on School Governing Bodies on Financial Management. I am currently doing a research study on the **Effect of financial management training on task performance of SGBs in the Eastern Cape Province** with UNISA. I have selected two circuits namely; JS Skenjana circuit and Inkqubela circuit. The purpose of the study is to explore the effectiveness of training offered to SGBs in managing school finances. The study will benefit both the SGBs and the department such that SGBs can be able to manage school finances efficiently as mandated by SASA.

Thank you

Yours Faithfully

D Faku



## APPENDIX E: PERMISSION LETTER FOR DATA COLLECTION FROM DEPARTMENT OF EDUCATION



Province of the  
EASTERN CAPE  
DEPARTMENT OF EDUCATION  
Private Bag X 1203 \* Dutywa \* 5000 \* REPUBLIC OF SOUTH AFRICA

Enquiries : C.T. Qendu Tel : 047 489 1147 Cell: 0820666993

DATE : 03 SEPTEMBER 2014

SUBJECT: PERMISSION GRANTED TO CONDUCT RESEARCH STUDY

Dear Sir/Madam

Permission to conduct research study at Inkqubela and JS Skenjana circuits has been approved.

Wish you all the best in your studies

Circuit Manager

Date: 03/09/2014

## APPENDIX F: CONSENT FORM FOR PARTICIPANTS

### CONSENT TO PARTICIPATE IN THIS STUDY

I, \_\_\_\_\_ confirm that the person asking my consent to take part in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have read (or had explained to me) and understood the study as explained in the information sheet. I have had sufficient opportunity to ask questions and am prepared to participate in the study. I understand that my participation is voluntary and that I am free to withdraw at any time without penalty (if applicable). I am aware that the findings of this study will be anonymously processed into a research report, journal publications and/or conference proceedings.

I agree to the recording of the interviews

I have received a signed copy of the informed consent agreement.

Full Name of Participant: \_\_\_\_\_

Signature of Participant: \_\_\_\_\_ Date: \_\_\_\_\_

Full Name of Researcher: \_\_\_\_\_

Signature of Researcher: \_\_\_\_\_ Date: \_\_\_\_\_

## APPENDIX G: ENGLISH INTERVIEW GUIDE

### SECTION A: BIOGRAPHICAL INFORMATION

*Please complete the following by marking an X in the appropriate column*

#### 1. GENDER

MALE	
FEMALE	

#### 2. AGE

Between 18 -29	
Between 30 -39	
Between 40-49	
Between 50-59	
60 and over	

#### 3. LEVEL OF EDUCATION

Illiterate	
Primary school education	
Secondary School education	
Matric	
Above Matric	

## YOUR REPRESENTATION IN THE SGB AND NUMBER OF YEARS IN THE SGB

CATEGORY		NO OF YEARS IN THE SGB
Parent		
Educator		
Principal		
Learner		
Non-Educator		

### 4. AREA WHERE THE SCHOOL IS LOCATED

Village	
Township	
Town	
Farm	

## SECTION B

### ONE TO ONE INTERVIEW QUESTIONS

1. Tell me more about your role as an SGB member?
2. Please explain what is the role and responsibility of SGB in the financial management of the school
3. Briefly explain how the school prepares a school budget and what is the role of SGB in preparing the school budget?
4. How is the budget communicated and explained to other stake holders?
5. Can you briefly explain the procurement procedures when spending funds?
6. What control management systems do you have in place?
7. In your opinion how well did the training interventions you receive address your needs?

8. How would you recommend the training interventions be amended to be more effective?
9. What challenges did you experience from the training?
10. How did the training assist you in your role in the management of school finances?
11. What do you think can be the way forward to effective financial management in schools?

## **FOCUS GROUP**

### **Central Question**

Can the capacitation in financial management training improve the task performance of SGBs in the education sector?

The researcher will ask the same questions that are in the interview guide as follow-up questions in the focus group interviews because the researcher is trying to discover the same issues in both one-to-one and focus group interviews. In a group situation, the researcher may get a deeper meaningful insight on the issue that may be concealed in the one-to-one interview (Blackwell 2013). In a group situation the participants' experiences are validated, extended and supported by similar views of other participants. The focus group helps the participants to see or talk about a situation. The focus group promotes self –disclosure (Blackwell, 2013:167).

**Thank You Very Much.**

## APPENDIX H: XHOSA TRANSLATED INTERVIEW GUIDE

ISIHLOMELO U - F

SIKHOKELO SODLIWANO - NDLEBE

### **ICANDELO A: IINKCUKACHA ZAKHO**

*Nceda gqibezela oku kulandelayo ngokuphawula ngoX kwikholam efanelekileyo*

#### **1. ISINI**

DUNA	
KHOMOKAZI	

#### **2. IMINYAKA**

Ephakathi kwe - 18 -29	
Ephakathi kwa - 30 -39	
Ephakathi kwa - 40-49	
Ephakathi kwa - 50-59	
Ama- 60 nangaphezulu	

#### **3. UMGANGATHO WEMFUNDO**

Akafundanga	
Imfundo yamabanga Aphantsi	
Imfundo yamabanga Aphakamileyo	
Imatriki	
Engaphezulu kwematriki	

## INDAWO YAKHO OYIMELEYO KWISGB KUNYE NENANI LEMINYAKA UKWISGB

UDIDI		INANI LEMINYAKA KWISGB
Umzali		
Ututshala		
Inqununu		
Umfundi		
Akanguye utitshala		

### 4. NDAWO ESIMI KUYO ISIKOLO

Idolophana/ilali	
Ilokishi	
IDolophu	
IFama	

### ICANDELO B

#### IMIBUZO YODLIWANO –NDLEBE PHAKATHI KOMVI NOMVIWA

1. Ndichazele ngokubanzi ngendima oyidlalayo njengelungu leSGB.
2. Cacisa indima noxanduva lweSGB ekulawuleni iimali zesikolo.
3. Cacisa ngokufutshane ukuba ingaba isikolo silulungiselela njani uqingqo – mali iyintoni indima edlalwa yiSGB ekulungiseleleni uqingqo –mali lwesikolo?
4. Ingaba yenziwa njani inkcaza yoqingo-mali kwabanye abantu ababandakanyekayo.
5. Ungacacisa ngokufutshane ngenkqubo yolwabiwo – mali xa kuchithwa imali?
6. Yeyiphi endlela eninayo ngoku yokulawula iimali?
7. Ngokolwakho uluvo ncedo luni owalufumanayo olwenziwa luqeqesho ekuhlangabezeni nezidingo zakho?
8. Ungongeza okanye ucebise ndawoni kungenelelo loqeqesho ukuze lubenegalelo?



9. Zinto zini ezicel'umngeni ohlangane nazo ngexesha loqeqesho?
10. Lukuncedise njani uqeqesho kwindima oyidlalayo ekulawuleni iimali zesikolo?
11. Ucinga ukuba umkhomba-ndlela ungathini ukuze ulawulo - mali zesikolo lufezeke?

## **IQELA EKUJONGWE KULO**

Umbuzo gabalala

Ingaba uncendo olufumaneka kuqeqesho lolawulo-mali lungayiphucula indima edlalwa ziiSGB kwiziko lemfundo?

Umphandi wesifundo uza kubuza imibuzo efana nqwa nale ikwisikhokelo sodliwano-ndlebe njengemibuzo elandela obe kubuzwa kudliwano- ndlebe lweqela kuba umphandi ufuna ukufumanisa le miba minye kuzo zombini ezi ntlobo zodliwano-ndlebe. Kwiqela umphandi angafumana ukuqonda ngokucacileyo kwimeko apho umba ubunokufihlakala kudliwano ndlebe lomntu ngamnye (Blackwell 2013). Kwimeko yeqela izimvo zabathathi – nxaxheba zinyanisekile, ziyanda zixhaswa nazezinye izimvo zabathathi- nxaxheba. Iqela ekujoliswe kulo linceda ekubeni abathathi-nxaxheba bathethe ngemeko leyo. Iqela ekujoliswe kulo likhuthaza ukuthetha phandle konke ngaye (Blackwell, 2013:167)

**Enkosi kakhulu.**